

## Federal Property Management Regulations

## § 101-40.702-2

noted upon receipt of shipment, a discrepancy report shall be prepared as required in § 101-40.702-3. A damaged shipment shall not be rejected regardless of the degree of damage or the contract delivery terms, except as indicated in § 101-40.704-1(c). The consignee shall take reasonable precautions to protect the damaged property in order to mitigate the losses to the carrier. Care shall be taken to preserve the contents, the original package, and the packing material pending completion of inspection by the carrier. Where applicable, the following actions shall be taken in checking and documenting delivery conditions:

(a) When a shipment is received in a closed conveyance, a notation shall be made on the carrier's delivery receipt or freight bill and on the consignee's copy of the delivery receipt or freight bill of the number and condition of any seals; i.e., intact, broken, or missing, on the carrier's conveyance and whether the shipment was properly loaded, stowed, blocked, and braced.

(b) On shipments other than in bulk, the number of pieces or packages in the shipment shall be physically counted and recorded by means of a stroke tally or other appropriate method.

(c) A notation shall be made on the carrier's delivery receipt, if available, and the consignee's copy of the delivery receipt or freight bill of the condition of the railcar, motor vehicle, container, or other conveyance with particular attention to any circumstance that might contribute to loss or damage; e.g., loose flooring or sides or protruding nails or bolts. When there is suspicion or evidence of damage to an ocean shipment, the ocean carrier or his agent shall be requested to furnish details concerning the manner of stowage of the shipment aboard the vessel.

(d) If a shipment is received in apparent bad order; e.g., if the load is shifted or jumbled or containers are broken or leaking, photographs of the damaged freight and/or of conditions of loading which might have contributed to the damage shall be made, whenever possible, for use as documentary evidence in the event of a claim. Each photograph shall be marked indelibly with the Government or commercial bill of lading number, the ocean or inter-

national air bill of lading number and/or the carrier's delivery receipt number, the vehicle identification number or vessel's name, and the date the photograph was taken. Photographs of damaged shipments delivered by ocean carriers shall be made at the ocean carrier's terminal prior to accepting the shipment.

[38 FR 28679, Oct. 16, 1973, as amended at 42 FR 25859, May 20, 1977]

### § 101-40.702 Documenting and reporting discrepancies.

#### § 101-40.702-1 Exception on carrier's delivery receipt.

(a) Before signing the carrier's delivery receipt, the Government consignee (or representative) shall note on the receipt specific details regarding the nature and extent of all apparent overages, shortages, losses, damages, or other discrepancies between the quantity and condition of the property as received and as shown on the covering bill of lading or other transportation document. Any notation placed on the carrier's delivery receipt shall also be shown on the consignee's copy of the delivery receipt or freight bill. The consignee shall sign and date these notations and request the carrier's driver or representative also to sign the notations.

(b) In the instance of an ocean shipment, placing an exception on the carrier's delivery receipt is not necessary if the condition of the shipment has been the subject of a joint survey or inspection; that is, if representatives of the carrier and the consignee jointly surveyed or inspected the shipment while it was still in the possession of the carrier, and a copy of the joint report signed by both representatives is in the possession of the consignee (46 U.S.C. 1303 (6)).

[38 FR 28679, Oct. 16, 1973, as amended at 42 FR 25859, May 20, 1977]

#### § 101-40.702-2 Discrepancies in Government bill of lading shipments.

(a) When a shipment is made on a Standard Form 1103, U.S. Government Bill of Lading, or on a Standard Form 1203, U.S. Government Bill of Lading-Privately Owned Personal Property, the consignee shall make certain the

Government bill of lading number is shown on both the carrier's delivery receipt and the consignee's copy of the delivery receipt. When a shipment is made on a commercial bill of lading to be converted to a Government bill of lading, in which case the Government bill of lading number would not normally be known at the time of delivery, the consignee shall sign the delivery receipt and enter the Government bill of lading number, when it becomes available, on the consignee's copy of the delivery receipt.

(b) When a discrepancy occurs in a shipment made on a Government bill of lading, appropriate notations shall be made on the delivery receipt as required in § 101-40.702-1 and a discrepancy report shall be prepared as required in § 101-40.702-3.

(c) The agency responsible for payment of freight charges, as identified in the "Charges to be billed to" space on the Government bill of lading, is usually also responsible for determining carrier liability (see § 101-40.707-2) and processing claims (see § 101-40.710). The consignee shall forward a discrepancy report and copies of supporting documents; e.g., delivery receipts, photographs, and carrier's inspection reports, to that agency, to the shipper at the address shown on the Government bill of lading, and to any other addresses as may be required by the agency's regulations. In addition, copies of discrepancy reports and supporting documents relating to special categories of property shall be forwarded to appropriate offices as required in § 101-40.702-3 (c), (d), and (e).

[42 FR 25859, May 20, 1977, as amended at 51 FR 24341, July 3, 1986]

**§ 101-40.702-3 Preparation of a discrepancy report.**

(a) When the total value of the loss, damage, shortage, or other discrepancy, or the value of repairs or replacement, including unearned freight charges, where applicable, on a single bill of lading or other transportation document, does not exceed \$50, Government agencies are authorized, but not required, to observe a minimum of \$50 or less in processing loss and damage claims against carriers or forwarders and to absorb losses of \$50 or less.

(b) When the total value of the loss, damage, shortage, or other discrepancy, or the value of repairs or replacement, including unearned freight charges, where applicable, on a single bill of lading or other transportation document exceeds \$50 or the minimum (i.e., \$50 or less) set by the agency, the receiving activity shall prepare Standard Form 361, Transportation Discrepancy Report, as soon as possible, but not later than 45 calendar days after receipt of the shipment or discovery of the discrepancy. Every effort shall be made to reconcile overages or shortages within 15 calendar days after discovery. (Suspected pilferage, theft, or loss during transit of narcotics, hazardous articles, or sensitive materials, regardless of dollar value, shall be reported to the appropriate agencies within 24 hours in accordance with paragraphs (c), (d), and (e) of this section.) Any photographs taken as documentary evidence (see § 101-40.701(d)) should be attached to the discrepancy report to support claim action. Standard Form 361 (SF 361) (see § 101-40.4901) is approved by the Office of Management and Budget under OMB reports control number 3090-0093. Guidelines for the preparation of SF 361 are contained in § 101-40.4901-361-1. (See the GSA handbook, Discrepancies or Deficiencies in GSA or DOD Shipments, Material, or Billings (subpart 101-26.8) for specific requirements for reporting discrepancies in shipments from GSA or DOD.)

(c) Pilferage, theft, or loss, regardless of dollar value, occurring in a shipment of narcotics or other controlled substances (as identified in 21 CFR 1308.11 through 1308.15), shall be reported by telephone within 24 hours after discovery to the agency or activity responsible for the shipment, and SF 361 shall be prepared and distributed immediately to any addressees as may be required by the agency's regulations. In addition, persons who are registered with the Drug Enforcement Administration (DEA) pursuant to 21 CFR part 1301 are required to complete DEA Form 106, Report of Theft or Loss of Controlled Substances, as prescribed in 21 CFR 1301.74(c).

(d) Pilferage, theft, or loss regardless of dollar value, occurring in a shipment