U.S. Customs Clearance / Duty Free Entry

Customs Agent
Mohawk Global Logistics has been assigned Power of Attorney to act as Cornell’s agent in expediting and clearing shipments entering the United States. Their address and contact information are as follows:

Mohawk Global Logistics
P.O. Box 3065
Syracuse, NY 13220-3065

Web address: http://www.mohawkglobal.com
Phone: 315-455-3003
Fax: 315-455-3032
E-mail: info@mohawkglobal.com

General Guidelines for US Custom Clearance
1. When a department orders equipment from a foreign source, the following phrases need to be included in the requisition:

“Send equipment in bond for clearance by:
Mohawk Global Logistics
152 Air Cargo Road, Suite 303
Syracuse Hancock Int. Airport
North Syracuse, NY 13212”

Please list “Syracuse, NY” as airport of destination on Airway bill.

2. Generally, small shipments (valued at less than $1,200) shipped via parcel post from foreign countries can be imported without assistance of a Customs Broker.

3. If a Cornell employee purchases equipment while out of the country, the shipment should be sent to Cornell University, Care of Mohawk Global Logistics to the address above for customs clearance.

4. If equipment is being shipped out of the country on a temporary basis, contact Mohawk Global Logistics prior to shipment for advice on required registration documents. This will preclude duty assessment upon the return of goods (in original state).

5. Mohawk Global Logistics’ fee will vary based on the type of import and services required, such as document preparation. In addition, there will be a freight charge from Syracuse to Ithaca.

6. Mohawk Global Logistics’ main office is located in Syracuse, NY. The company has branches in Rochester and Albany as well.

Duty-Free Entry
Foreign purchases made by Cornell are subject to the payment of government-imposed duty. However, on scientific equipment, for which there is no domestic equivalent, it is possible to have duty charges waived.
The process involved in avoiding duty charges is complex and takes a substantial amount of time to accomplish. Requests must be filed with the United States Custom Service, ATTN: Disclosure Law Branch, Washington, DC 20229.

Because of the highly technical nature of the information required, the department should prepare the responses with assistance from the seller of the equipment. The duty-free entry request does not need to be made at the time an order is placed, but it is desirable. The US Customs and Border Protection Form No. ITA-338P is available at http://ia.ita.doc.gov/sips/appform.html. When considering the purchase of foreign-made scientific equipment, review the form in advance of placing the equipment order.
Receiving and Inspecting Shipments

It is the responsibility of the person accepting incoming shipments to verify that the goods delivered match the order before signing the delivery slip.

If the goods have been shipped to the wrong department and an order number is included on the shipment, query KFS or call Procurement Services to identify the proper destination. It is the responsibility of the department signing for material to arrange for delivery to the correct department. In most cases, the trucker will deliver to the correct department if shipment has not been removed from the truck or it is a small carton.

Inspection
Inspection of all packages or cartons at time of delivery is essential. Any apparent damage should be noted on the delivery receipt by the carrier’s agent along with the agent’s signature. If it is necessary to file a claim for damaged goods, the supplier should be notified within 24 hours of delivery. If damage is discovered only after the package has been opened, refer to Receiving Procedure “Concealed Damage” below. After inspecting the packages, all packing lists and bills of lading should be forwarded to the individuals in the department who are responsible for recording receipts.

Freight Claims
Fast and fair settlement of claims on the receipt of damaged goods is of mutual benefit to the University and its suppliers. The FTC/BSC should ensure that the required documents are filed within ten (10) working days by the unit and the supplier and/or carrier.

This procedure defines the types of freight claims and explains what must be done in the filing of the claim. In all instances, the supplier must be notified within 24 hours of the discovery of the damage.

Filing Responsibility
The vendor has the responsibility for filing the freight claim if the FOB terms are "Destination". Cornell University has the responsibility for initiating a freight claim only when the FOB terms specify "Shipping Point". For more detailed information on FOB terms see section 803-A. If Cornell has the responsibility for filing the claim, the Unit or FTC/BSC will prepare the paperwork and contact the carrier. If the supplier is responsible for filing, then the Unit or FTC/BSC will notify the supplier of the damaged, lost, or concealed damaged shipment and request replacement shipment.

Receipt and Inspection of Shipments
This procedure addresses three (3) types of freight claims that might be processed if Cornell has the responsibility for filing the freight claim.

1. Damage in Transit
Damage has occurred to the shipment while it was in the possession of the freight carrier. Damage to packages and cartons is usually readily apparent.

When the shipment is received, any damage is noted on the freight bill at time of delivery. The User Department notifies the supplier about the damaged shipment within 24 hours. End User/Dept/FTC/BSC will contact the carrier and begin the claim process.
2. Loss in Transit
If the supplier has shipped the merchandise to Cornell and it has not been delivered after a "reasonable" amount of time, and the carrier is unable to locate the shipment, then the shipment may be lost.

The end user/unit must notify the supplier when they have not received a shipment within a "reasonable" waiting period. After confirming the supplier’s shipment date and verifying that the carrier is unable locate the shipment, the End User/Dept/FTC/BSC will begin the claim process.

3. Concealed Damage
Merchandise is delivered in apparently good condition and the carrier's bill of lading is signed with no mention of damage. Damage is discovered only after the container is opened within a "reasonable" period of time.

End user/unit must notify the supplier immediately of the damage. The supplier will in turn notify the carrier that a "concealed damage" claim is pending and an inspection is needed. All containers and contents must be kept in a safe place for inspection by the carrier. The carrier will supply an inspection report to accompany the freight claim processed by the End User/Dept/FTC/BSC.

Return of Goods to the Vendor
This procedures describes the correct steps to be followed when goods need to be returned to the vendor for credit or replacement.

When defective merchandise is received from a vendor, or the received item(s) are not the item(s) specified on the purchase order, the shipment will be subject to return to the vendor for credit.

Whenever the department needs to return merchandise to a vendor, the department needs to contact the vendor, explain the reasons for returning the merchandise and get a “Return Authorization” number.

The department prepares the shipment for return to the vendor noting the “Return Authorization” number on all paperwork. This number allows the vendor to identify the goods when they are received and to correctly issue a credit.

If a replacement is desired, then the department needs to issue a new requisition/order for the replacement.
<table>
<thead>
<tr>
<th>FOB Term</th>
<th>Payment of Freight Charges</th>
<th>Who Bears Freight Costs</th>
<th>Owns Goods in Transit</th>
<th>Who Files Claim (if any)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOB Destination, freight prepaid *</td>
<td>Seller</td>
<td>Seller</td>
<td>Seller</td>
<td>Seller</td>
<td>Title passes to Buyer when goods are delivered. Seller pays and absorbs all freight costs.</td>
</tr>
<tr>
<td>FOB Destination, freight prepaid and added to invoice</td>
<td>Seller</td>
<td>Buyer</td>
<td>Seller</td>
<td>Seller</td>
<td>Title passes to Buyer when goods are delivered. Seller pays shipping costs and adds the cost to their invoice.</td>
</tr>
<tr>
<td>FOB Destination, freight collect</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Seller</td>
<td>Seller</td>
<td>Title passes to Buyer when goods are delivered. Carrier bills Buyer for the freight costs.</td>
</tr>
<tr>
<td>FOB Shipping Point, freight prepaid</td>
<td>Seller</td>
<td>Seller</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Title passes to Buyer at vendor’s dock. Seller pays and absorbs all freight costs.</td>
</tr>
<tr>
<td>FOB Shipping Point, freight prepaid and added to invoice</td>
<td>Seller</td>
<td>Buyer</td>
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<td>FOB Shipping Point, freight collect</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Buyer</td>
<td>Title and control of goods passes to Buyer when carrier signs for goods at the vendor’s location. Carrier bills Buyer directly.</td>
</tr>
</tbody>
</table>

* Cornell’s preferred terms