
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.

Buying Manual

Subject: Shipping and Receiving Procedures
Title: U.S. Customs Clearance / Duty Free Entry

Number: 802
Issued: February 9, 2009
Revised: March 1, 2012

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.

Buying Manual

Subject: Shipping and Receiving Procedures

Title: Receiving and Inspecting Shipments

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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 procedure 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.

Buying Manual

Subject: Shipping and Receiving Procedures

Title: FOB Terms and Responsibilities

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FOB Term	Payment of Freight Charges	Who Bears Freight Costs	Owns Goods in Transit	Who Files Claim (if any)	Explanation
FOB Destination, freight prepaid *	Seller	Seller	Seller	Seller	Title passes to Buyer when goods are delivered. Seller pays and absorbs all freight costs.
FOB Destination, freight prepaid and added to invoice	Seller	Buyer	Seller	Seller	Title passes to Buyer when goods are delivered. Seller pays shipping costs and adds the cost to their invoice.
FOB Destination, freight collect	Buyer	Buyer	Seller	Seller	Title passes to Buyer when goods are delivered. Carrier bills Buyer for the freight costs.
FOB Shipping Point, freight prepaid	Seller	Seller	Buyer	Buyer	Title passes to Buyer at vendor's dock. Seller pays and absorbs all freight costs.
FOB Shipping Point, freight prepaid and added to invoice	Seller	Buyer	Buyer	Buyer	Title passes to Buyer at vendor's dock. Seller pays and absorbs all freight costs.
FOB Shipping Point, freight collect	Buyer	Buyer	Buyer	Buyer	Title and control of goods passes to Buyer when carrier signs for goods at the vendor's location. Carrier bills Buyer directly.

* Cornell's preferred terms

Invoice Payment

This procedure is to explain how an invoice payment is processed for the purchase of goods and/or services. An invoice is the supplier's notification that a charge is pending against the University. The purchase order is the basis on which the supplier is paid for material and services furnished. The invoice is audited against the purchase order (e.g., items, prices, quantities, terms of the purchase order).

Accounts Payable is responsible for monitoring the electronic invoice process and manually entering invoices into KFS. As stated on the purchase order, all vendors not enrolled in electronic invoicing, are instructed to submit invoices with purchase order reference via U.S. Mail to **Cornell University, Accounts Payable, 395 Pine Tree Rd., Ste. 330, Ithaca, NY 14850** or via email to **dfa-4040_invoice@cornell.edu**.

Additionally, the vendor should indicate the purchase order number on the invoice. Invoices received by the end user/unit need to be immediately sent to Accounts Payable at East Hill Office Building, 395 Pine Tree Road, Suite 330.

Invoices are entered into KFS to be processed for payment. Before the invoice is paid, the purchase order may require that the *End User/Unit/FTC/BSC* verify receipt and/or acceptance of the goods or services or that the Fiscal Officer review the invoice and approve the payment request.

After the invoice is entered in KFS, the invoices are scanned for the *End User/Unit/FTC/BSC* to compare to the purchase order. The payment request (PayReq) requires that a receipt be entered, the *End User/Unit/FTC/BSC* can enter the receipt before or after the invoice is entered.

If the invoice is greater than \$5,000, the ASC/FTC/BSC must confirm physical receipt of goods and or services with the unit and document receipt in the PayReq e-doc notes and attachments sections before processing the payment. See the Controller's [Guidelines for Receiving in KFS](#).

The end user/unit/FTC/BSC should check their KFS Action List daily to determine if there are any tasks in the queue.

Vendor Relations

Payments of invoices should not be delayed beyond the due dates as determined by the terms of the purchase order, unless Procurement Services, the end user/unit/FTC/BSC, and the Supplier are aware of extenuating circumstances that would preclude payment. Failure to pay invoices promptly results in poor vendor relations, lost early payment discounts, interest charges, and potential credit holds.

Freight Bills

Freight bills directly from freight companies are to be sent to the unit/FTC/BSC for payment. Payments should be processed via disbursement voucher.

Federal Interstate Commerce Commission / Department of Transportation regulations require that all invoices for freight be paid within fifteen (15) days. Failure to comply can result in termination of carrier service or possible court action against Cornell University. It is extremely important that all freight bills be processed promptly.

Capital Equipment

According to [University Policy 3.9, Capital Assets](#), a capital asset is an item that has a useful life of at least two years and a value of at least \$5,000. Capital assets are permanent, tangible, and held for purposes other than investment or resale. Please refer to the Capital Assets policy for further specifications and definitions.

Resources:

- Accounting Services Web site: <https://www.dfa.cornell.edu/accounting/about/contact>
- Standard Operating Procedures
 - Capital Assets Overview
<https://confluence.cornell.edu/download/attachments/134217922/Cap+Assets+Overview.pdf>
 - Capital Edit tab, Financial Processing
<https://confluence.cornell.edu/download/attachments/134217922/SOP+Capital+Edit+tab+Financial+Processing.pdf>
 - Capital Edit tab, Purchasing
<https://confluence.cornell.edu/download/attachments/134217922/SOP+Capital+Edit+tab+REQS+PCDO.pdf>