Proper Inventory Procedures

When it comes to proper inventory procedures – military standards are the industry standard. The following comes from Kevin Spealman, Vice President of Claims & Customer Service, National Forwarding Company:

Proper Inventory Preparation, High Value/High Risk Policy
Proper inventory preparation on military shipments is absolutely critical, and when done correctly, provides both protection against claims and helps maintain high customer satisfaction ratings. There are some differences between a proper commercial inventory and a proper military inventory, and the following guidelines are important to keep in mind when doing an inventory on a military shipment.

Some of the points we want to make are simply important in maintaining a professional approach, and therefore helping to maintain high customer satisfaction ratings.
- Fill out all sections completely, with each page signed and dated
- Show customer the damages, as it promotes trust and therefore results in higher customer satisfaction scores
- Describe item fully (Blue Floral Loveseat)
- Write down all pre-existing damage
- Be specific with exceptions, and never “over-inventory” (for example, Armoire – sc,ch,d,r,br,be,m,f,w – 1,2,3,4,5,6,7,8,9,10,11,12 – an Armoire doesn’t even have arms).
- Always unwrap pre-wrapped furniture items to inspect and take exceptions

Other points we wish to make are somewhat unique to military shipments. Military shipments are subject to specific regulations regarding inventory preparation. Military shipments tend to change hands more often.

And, there are claims rulings making certain inventory practices especially important on military shipments.
- Describe contents of all “cp” cartons (no PBO allowed on military, so never write PBO, as pre-packed goods must at least be inspected by packers)
- Regulations mandate inclusion of make, MODEL & serial # for electronics (model # is most important, not serial number)
- Write either “cd” or “dbo” for disassembled items
- Never use the word “miscellaneous” by itself to describe carton contents
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• PACK contents of plastic bins/totes, Rubbermaid containers, pack tote itself in carton, or leave in totes if not valuable and INVENTORY ALL CONTENTS

• Tool boxes will be considered full of tools unless specified otherwise

• Professional books, papers and equipment should be inventoried as such

• Do not re-inventory if out of NTS (non-temp storage or permanent storage), unless all numbers are cross referenced – make a careful and complete rider to the inventory instead

• A rider must be done whenever a shipment changes hands – write “none” if there are no additional damages or loss

Lastly, here are a couple of tips involving special circumstances:
• Hardware must either be attached to the item, or there must be a parts box, listed as the first item on the inventory, that contains hardware (inside parts box each set of hardware must be labeled as to which item it belongs to with inventory # and name of item).

• If an item is brand new, in an unopened manufacturer’s carton, include “factory packed, cu” with your inventory description of the item (exception: if carton shows damage, open the carton and take exception to any and all damages.)

• Overflow shipments – note which items taken/left behind, or if doing the overflow, which items you are taking.

It is also essential for all crew members to be aware of the NFC High Value/High Risk Policy. That policy is attached – please read it carefully as it is a mandatory policy which could have claims ramifications if not followed.

Thank you for your cooperation and your contributions to our collective success.
High Value/High Risk Inventory

Since Full Replacement Valuation went into effect, a HV/HR (High Value/High Risk) Inventory was adopted (officially recognized) by DOD. It protects the TSP and agents in ways that were impossible in the past. For example, certain items considered high value must be listed on this form, or TSP liability is limited to $100.00 per pound for that item. Additionally, if the HV/HR items are fully unpacked at delivery, and the form is completed properly at delivery the customer can’t later claim those items missing. It is our policy that if any agent does not comply with our policy for HV/HR items, the agent will bear the expense of any HV/HR item claimed as missing, when it is otherwise impossible to determine responsibility.

**Origin Agent/Packer**

- Prepare the HV/HR Inventory on each shipment. A copy of the HV/HR Inventory is in the Forms section of this manual. Only this specific government HV/HR Inventory is acceptable.

- **Listing High Value items is the joint responsibility between the packing crew and the customer.** High Value items are those worth more than $100 per lb. The customer should be advised at the time of the pre-move survey that he will be asked to do this. For the most part, this only applies to packed items.

- **Listing High Risk items is the origin agent’s responsibility.** High Risk items include, but are not limited to, CDs, DVDs, electronics, or other easily pilfered item. (Don’t forget to list make, model and serial # for electronics – especially make and model#)

- In the VERY unlikely event there are no High Value or High Risk Items, the word “none” should be written on the form; otherwise it should be completed in full.

- If items are found on the inventory that should have been on the HV/HR Inventory, the origin agent will be found to be non-compliant with our policy.

- It is desirable for the packers to prepare the inventory of packed items. This way, you can ensure items with previous damage are noted, and the HV/HR items are listed on the HV/HR Inventory AND the regular inventory. You must list all items on the shipment considered high value, extraordinary or unusual in nature. Firearms must be handled in strict accordance with our separate Firearms Handling Policy in Section 1.5 of this manual.

- Pack the cartons carefully.

- After the customer has witnessed the items are in the cartons and have been packed to their satisfaction, place the numbered Security Seals (they come in sets of two and are available through National Forwarding Co.) on the top and bottom of each carton. Have the shipper or releasing agent sign both seals, in the place designated for customer signature.

- The inventory number, carton contents and security seal numbers must be listed on both the HV/HR Inventory and the Regular Descriptive Inventory.

- The HV/HR Inventory must be filled out completely and accurately.

- The packing crew leader and the customer/releasing agent must certify the High Value Inventory is true and correct. Both must sign and date the form.
**Driver**

- Items on the HV/HR Inventory must also be on the Regular Descriptive Inventory.
- Always check to make sure all items on the HV/HR Inventory are present before loading.
- For sealed HV/HR cartons, check top and bottom seals to ensure none have been tampered with. Maintain a supply of HV/HR inventories in case the origin agent did not prepare one.
- If picking up from an agent’s warehouse and no HV/HR Inventory is present, write on the rider there is no HV/HR Inventory.
- For any questions involving shipments coming out of storage (especially NTS), call (800)325-6889 before loading, as we can offer detailed advice on wording for the rider.

**At Delivery (Driver if direct delivery, SIT agent if delivering out of Storage)**

- If receiving a shipment into storage and there is no HV/HR Inventory, annotate on your rider there was none given to you. When checking in a shipment, make certain items on both the regular inventory and HV/HV Inventory are present.
- Check the conditions and document any tampering or damage to seals or cartons.
- **Mandatory – Full unpack of all HV/HR Items is required at delivery** - Have the customer initial the rightmost column on the HV/HR Inventory beside each item, indicating unpacking was done and all items in the cartons were received in apparent good condition. It is not enough just to have the customer sign the form at delivery. If no initials appear in the right hand column, and we are forced to accept liability, the delivering agent may be held responsible for the loss.
- If there was an item count at origin, it is your responsibility to ensure all items were received.
- **Firearms**: Should go on the descriptive inventory AND the HV/HR Inventory with Make, Model, Serial Number and Caliber or Gauge. **IMPORTANT** - See National’s separate Firearms Procedure for further details on how to ship firearms.