

Accounting for Shipping and Freight Charges in UD Exchange

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In accordance with the [Quote Guidance](#) issued by Procurement Services, UD requisitioners should add a line item for shipping/freight charges on non-catalog and waiver of bid requisitions if the supplier passes these charges to the customer. It is the responsibility of the Requester to review the quote to ensure that shipping/freight charges are addressed in the quote.

- If the supplier does not charge the customer for shipping/freight, an additional line item does not need to be added to the requisition.
- If the supplier charges a specific fee for shipping/freight, the employee must add a line item to the requisition for the specific dollar amount of the shipping/freight fee.
- If the supplier charges for shipping/freight but cannot provide a specific dollar amount at the time of the quote, the employee should request an estimate of shipping/freight charges based on the supplier's preferred delivery carrier and add a line item to the requisition in the amount of the estimated costs. Best practice in this scenario is to ensure that the estimated cost entered on the requisition is large enough to cover a reasonable variance in the fees.

Per the [Class I Movable Equipment policy](#), freight charges are incorporated with the cost of capital expenditures, so if account code 167900 is used, the freight line should reference the commodity and account codes used on the equipment. The freight cost can also be included in the line item for the equipment, if so desired. For all other purchases, freight charges should be separated and use commodity code 78000000 and account code **145800**.

The guidelines above support timely payments to vendors and clear cost expectations to UD employees and financial approvers. If shipping/freight fees are not initially addressed on requisitions, Procurement Services will manually create a non-PO voucher line on the voucher to pay the supplier for the shipping/freight fees listed on the invoice. These payment vouchers are not directly linked to the Purchase Order in UDataGlance, are not routed to approvers in UD Exchange for any additional review, and their manual nature contributes to a delay in payments to suppliers.

Please note: these processes apply only to UD Exchange orders. Webforms should still account for freight in the requisition, but a PO Amendment (change order) will be needed if the freight variance exceeds 10% or \$50 of the document, whichever is less.