# **Vocational Rehabilitation Services Manual D-200: Purchasing Goods and Services**

Revised July 1, 2022

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## **D-204: The Purchasing Process**

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### D-204-8: Shipping and Handling Costs

When goods ordered for a customer must be transported to the VR office or the customer’s location, shipping and handling costs may be applicable and, if so, will need to be included on the service authorization (SA).

Shipping and handling costs apply to goods being transported from the source location to the destination.

Shipping costs will depend on the mode of transportation used to transport the good, and when the vendor provides multiple shipping options, the most economical method should be used. If there is an urgent, immediate need for the ordered good, staff may justify the use of an expedited shipping method such as overnight or second-day air.

**Identifying Shipping and Handling Costs**

So that shipping and handling costs can be properly and efficiently included on the SA at the start of the process, staff should verify whether the vendor will be charging for shipping and handling and ask that the estimated costs for shipping and handling be included as a part of the quote or other documentation submitted to TWC.

**Processing Shipping and Handling Costs in ReHabWorks**

Shipping and handling costs should be processed in ReHabWorks as follows:

1. In addition to the line item or items for the goods being ordered, create a separate line to be used only for the shipping and handling costs.
2. Include this line item on the SA using the quoted cost.
3. Upon receipt of the invoice, adjust the cost based on the actual shipping and handling costs.

In instances where the shipping and handling costs were not known until after the SA was issued and no shipping and handling line item was included on the SA, change-up the unit cost of one SA line item to include the shipping and handling amount. Clearly document this in a case note, and for SAs with multiple line items, also list in the case note which SA line item was updated to include the shipping and handling costs.

For more information about creating a service record, refer to [RUG E-200: Case Service Records](https://twcgov.sharepoint.com/sites/ws/vr/co/RHWUserGuide/RUG%20E-200%20Case%20Service%20Record-12102020.docx).

**Bids and Shipping and Handling Costs**

When an SA is the result of a bid process, do not add shipping and handling (freight) charges to that SA unless the vendor’s bid included shipping and handling charges.

Bids include instructions concerning shipping and handling and if the vendor did not include shipping and handling costs in the quote, as required, then the vendor cannot subsequently bill for shipping and handling costs.

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