Shipping Inspection Procedure
1.0 PURPOSE AND SCOPE

1.1 Purpose
1.1.1 To describe the methods to be used for conducting Shipping Inspection at our Company (ATS).

1.1.2 The Shipping Department will establish an area for conducting Shipping Inspection(s).

1.1.3 The Shipping Department will impose Shipping Inspections on all material/products pulled from inventory to fill Customer orders to ensure completeness of all previous operations and contractual requirements have been met.

1.2 Scope
1.2.1 The scope of this procedure applies to all products/materials that are pulled from inventory at ATS for the purposes of filling Customer Orders.

2.0 APPLICABLE DOCUMENTS

The following documents of the latest issue are applicable to the extent specified herein:

Commercial/Industrial/Government Documents
ISO 9001 Quality Management System - Requirements

ATS
Document(s)
ATS-CGP-1001 Contracts Documentation System
ATS-QAP-1004 Quality Records
ATS-QAP-1005 Nonconforming Material System
ATS-PGP-3001 Receiving Inspection
ATS-SOP-1020 Packaging and Shipping

Form(s)
FORM ATS10-2040 Inspection Aid
FORM ATS10-1251 Reject (Red Tag)
FORM ATS10-1069 Defect Report - Material
None Invoice (*1)
None Packing Slip (*1)
None Straight Bill of Lading (*2)
Note(s):
(*1) Packing Slips and Invoices are prepared using QuickBooks software standard reports and/ MS Work/Excel software.
(*2) Shipping Company’s Straight Bill of Lading or equivalent is used.

3.0 RESPONSIBILITIES

3.1 General
3.1.1 Quality Assurance - shall be responsible for updating and maintaining this document.

3.1.2 Shipping Inspection - shall be responsible for following the methods stated herein.

4.0 SET-UP REQUIREMENTS

4.1 Inspection Equipment
4.1.1 The following equipment/tools shall be used as required to perform Shipping Inspection tasks:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Model/Part Number</th>
<th>Manufacture</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.2 Materials
4.2.1 The following materials are required when performing Shipping Inspections:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Part Number</th>
<th>Qty</th>
<th>Manufacture</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.3 Inspection Documentation/Aids
4.3.1 Prior to starting the Shipping Inspection activity, the Contracts & Marketing, Technical Manager or Shipping Department prepares the proper the Packing List for use during Shipping Inspection.

5.0 GENERAL INSPECTION REQUIREMENTS

5.1 General
5.1.1 Products that are being processed during Packaging per ATS-SOP-1020, Packaging and Shipping are Ship Inspected in accordance with this procedure.

5.1.2 The Ship Inspection involves rooming inspection by the Shipping Inspector (Shipping Group Leader/Supervisor or other trained personnel) to ensure that products being packed are acceptable materials pulled from stock. Products without a prior history of inspection are identified with the Reject (Red) tag and are rejected by Ship Inspection.

5.1.2.1 The rooming inspection by the Ship Inspector also looks for obvious damaged materials/products (i.e. parts that do not look like other parts in the lot). If parts are rusted, deformed or physical wrong item, the Shipping Inspector shall reject the material by preparing and attaching a Reject (Red) tag to the products and the products are segregated to prevent unauthorized use.
6.0 DETAILED INSPECTION REQUIREMENTS

6.1 General

6.1.1 The following detailed inspection shall be performed prior to the product(s) being shipped to the Customer:

**General Product – Shipping Inspection**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Type Inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Part Number and Quantity</td>
<td>100% - Verify the proper Part Number and Quantity per Packing List. Weigh count, physical count or examining packaging quantity marking information (i.e. sealed bags/boxes/containers/etc.) are acceptable methods for verifying quantity.</td>
</tr>
<tr>
<td>2</td>
<td>Workmanship</td>
<td>100% - Verify there is no obvious physical damage to the product and/or packaging. Do not re-open existing packaging. The material/product visual inspection is performed during rooming inspection techniques as the materials/products are being packed.</td>
</tr>
<tr>
<td>3</td>
<td>Labeling/Marking</td>
<td>100% - Verify Item package is marked or labeled with P/N and other information required by the Customer order. See ATS-SOP-1020, and/or Customer order requirements.</td>
</tr>
<tr>
<td>4</td>
<td>Packaging</td>
<td>100% - Verify Item is packaged properly per ATS-SOP-1020 and/or Customer order requirements.</td>
</tr>
<tr>
<td>5</td>
<td>Certificate of Compliance</td>
<td>100% - Obtain Certificate of Compliance from QA/Inspection when required by the Packing List/Customer order</td>
</tr>
</tbody>
</table>

6.1.2 Acceptable materials/products are processed per paragraph 7.0 – Accepted Material.

6.1.3 Nonconforming materials/products are processed per paragraph 8.0 – Nonconforming Material.
7.0 **ACCEPTED MATERIAL**

7.1 General

7.1.1 Once the Shipping Inspector verifies that the Packing List part number, quantities and order number match the product(s) picked, the Shipping Inspector shall initial on the pre-dated Packing Slip "Ship Inspected/Authorized By" block to indicate the product has completed Shipping Inspection.

   **"PICKING SLIP"**

   ![Signature](image)

   7.1.1.1 The person who performs Ship Inspection shall be different than the person who initialed/dated the "Packed By" block.

7.1.2 The Shipping Inspector notifies the Shipping person that the products are ready for shipment. The products, Packing Slip and Packing List documentation are released to the Shipping Department for shipment.

7.1.3 The Shipping person provides a copy of the Packing List and Straight Bill of Lading documentation for filing in the Accounting Department and the original Packing List (White copy) is placed in or attached to the shipping container with the product when shipped to the customer. Evidence of Shipping Inspection (i.e. initialed/dated Packing Slip) is considered a Quality Record and shall be retained per ATS-QAP-1004, Quality Records.

8.0 **NONCONFORMING MATERIAL**

8.1 General

8.1.1 All inspection discrepancies shall be recorded on a Reject (Red Tag), defective product tagged and promptly removed to the non-conforming material hold area, and dispositioned using the Defect Report in accordance with ATS-QAP-1005, Nonconforming Material System.