

<b>Los Angeles City College Administrative Services “How To” Book</b>	<b>Return and Exchange of an Asset</b>	<b>VII</b>
		<b>H-I</b>
<b>How Do I Exchange an Item (Asset)?</b>		

**A. Brief Description**

These Procedures are established to guide staff through the Exchange of an item (Asset).

**B. How To**

1. If a department decides that it does not need an item (asset) that was originally purchased and would like to exchange the item (asset), the requestor calls the vendor and obtains approval for the exchange.
2. Upon receipt of a written approval to exchange the item, the Receiving Department and Accounts Payable must be informed immediately.
3. The item is picked up by the Receiving Department from the requestor department or the requestor returns the item to the Receiving Department.
4. The vendor arranges to pick-up the item from the Receiving Department or arranges for the return of the item by sending the Receiving Department a Return Merchandise Authorization (RMA).
5. If the exchange is an even exchange, the Receiving Department reverses the item (goods received) in the SAP system (vendor return) against the Purchase Order (PO).
6. The Receiving Department ships the item to the vendor or the vendor picks-up the item to be returned from the Receiving Department. .
7. The vendor ships the new item to the Receiving Department after the vendor receives the item sent by the Receiving Department.
8. The PO and/or the asset master data must be modified in order to place the new asset number or information in place.
9. Upon the arrival of the new item, the Receiving Department receives the new item against the original Purchase Order.
10. If the exchange is for a lower value item, the item can be easily returned and the new item be repurchased if the vendor has not been paid. Or if the vendor has been paid, the aforementioned procedures for an even exchange can be utilized and have the vendor send a credit note for the difference.
11. If the exchange is for a higher value item, it is more expedient to cancel the original order and issue a new Purchase Order for the new item if it has not been paid for and no invoice has been submitted by the vendor. If the vendor has submitted an invoice, a credit note will have to be provided by the vendor to off-set the invoice submitted to the College Purchasing Department.

12. If the exchange is for a higher value item and the vendor has been paid, the reversal is made in SAP upon the return of the item; however, a new Purchase Requisition and Purchase Order are issued for the new order or item. A Credit Note is requested from the vendor to cover the cost of the old item that was originally paid. The net difference is paid after applying the vendor's credit note to the new Purchase Order. The new item is then received against the new Purchase Order.