



Standard Operating Procedures (SOPs)

Inbound Materials Coordinator

Inbound Receiving & Supplier Nonconformance

**Gear Systems, Inc
Meridian, MS Manufacturing Plant**

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Approved By: Walter Finch, Plant Manager

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1. Overview

1.1 Purpose

This Standard Operating Procedure (SOP) defines the step-by-step process by which the **Inbound Materials Coordinator (Coordinator)** at the Gear Systems Inc. Meridian, Mississippi manufacturing plant receives, verifies, dispositions, and records inbound material shipments from external suppliers and other Gear Systems plants.

The purpose of this document is to ensure that:

- Every inbound shipment is processed against the correct purchase order with verifiable accuracy.
- Quantity, physical condition, and documentation discrepancies are identified, categorized, and routed to the correct internal owner without delay.
- Safety-critical drivetrain components are subject to enhanced traceability controls in accordance with Department of Transportation (DOT) recordkeeping expectations.
- Supplier nonconformances are documented in writing, communicated through approved channels, and tracked over time to support supplier performance management.
- Plant production lines are protected from material shortages, quality defects, and untraceable parts.

1.2 Who This Document Is For

This SOP is written for the Inbound Materials Coordinator role and any employee acting in that capacity, including cross-trained backup personnel and temporary contract staff.

This document also serves as a reference for the Receiving Supervisor, Plant Logistics Manager, Quality Manager, and internal/external auditors.

1.3 Scope — What This Document Covers

This SOP covers the full inbound receiving process from the moment a truck arrives at the Meridian plant receiving dock through the moment that material is either:

- Released to the Inventory Control team for putaway
- Placed in quarantine pending disposition
- Refused at the dock and returned to the carrier

Specifically, this document covers:

- Dock appointment verification and arrival logging
- Purchase order matching against carrier paperwork
- Quantity disposition (over ships, short ships, exact matches)
- Physical condition disposition (damage tiers)
- Documentation disposition (packing slips, certificates of conformance, mill test reports, heat numbers)
- The two-track handling model for safety-critical versus standard parts
- Receiving log and inventory master updates

- Quarantine procedures
- Nonconformance Report (NCR) creation and supplier notification
- Supplier status verification and repeat-offender handling
- Dollar-value escalation routing
- Special-case shipments (hazmat, oversize, direct-to-line, inter-plant transfers)
- End-of-shift handoff and recordkeeping
- Records retention and audit support

1.4 Scope — What This Document Does NOT Cover

The following activities are out of scope for this document. Where a Coordinator encounters one of these situations, this SOP will direct them to the appropriate referenced procedure or owner.

Out-of-Scope Activity Refer To

Cycle counting and inventory reconciliation	SOP-LOG-MER-04 (Cycle Count Procedures) Owned by Maribel Ortiz
Line-side replenishment and kanban execution	SOP-LOG-MER-03 (Line Replenishment) Owned by Darnell Hooks
Outbound shipping to customers and the aftermarket	SOP-LOG-MER-05 (Outbound Shipping)
Customer returns received at the receiving dock	SOP-QUA-MER-08 (RMA Handling) redirect per Section 17.5 of this document
Forklift, pallet jack, and physical material handling safety	SOP-EHS-MER-01 (Plant EHS Manual)
Personal Protective Equipment (PPE) requirements	SOP-EHS-MER-01
Procurement decisions (supplier selection, contract negotiation, pricing)	Procurement team (Joon-ho Park)
Engineering changes to part specifications	Boulder Engineering team via change request portal (out of plant scope)
Customer-facing communication of any kind	Sales team (escalate via Plant Logistics Manager)

If a situation arises that is not covered in this document and is not clearly listed above as out of scope, the Coordinator must escalate to the **Receiving Supervisor (Darnell Hooks)** before taking action. **Do not improvise.** Improvisation in receiving creates traceability gaps that cannot be repaired retroactively.

1.5 Why This Role Matters

A single line stop at Meridian costs the plant approximately **\$14,000 per hour** in lost production. A traceability failure on a safety-critical component can trigger a customer-driven recall affecting thousands of vehicles, with cost exposure in the millions and reputational damage that takes years to repair.

The Inbound Materials Coordinator is the last line of defense between the supply base and the production line. Every part that reaches a Meridian assembly station has passed through this role. The procedures in this document are not bureaucratic. They exist because each one was added in response to a real failure. Follow them exactly.

2. Company & Plant Context

2.1 Gear Systems Inc.

Gear Systems Inc. is a North American manufacturer of drivetrain components for commercial vehicles, off-highway equipment, and industrial applications. The company produces axle systems, driveshaft assemblies, and manual and automatic transmissions, supplying Original Equipment Manufacturers (OEMs), construction and agricultural equipment companies, and aftermarket distributors.

- **Headquarters:** Birmingham, Alabama
- **Manufacturing Plants:** Birmingham, AL, Meridian, MS, Pittsburgh, PA
- **Engineering Center:** Boulder, CO
- **Distribution Hubs:** Houston, TX, Seattle, WA
- **Workforce:** Approximately 8,000 employees

2.2 The Meridian Plant

The Meridian plant is Gear Systems' medium-duty axle and driveshaft assembly facility. Meridian receives raw forgings, machined components, fasteners, bearings, seals, lubricants, packaging materials, and sub-assemblies from approximately 180 active suppliers and from the Birmingham and Pittsburgh sister plants.

The plant operates two production shifts, Monday through Friday:

- **First Shift:** 6:00 AM – 2:30 PM CST
- **Second Shift:** 2:30 PM – 11:00 PM CST

The receiving dock operates during the first shift only (6:00 AM – 2:30 PM CST), Monday through Friday.

Inbound shipments are not accepted outside these hours except by prior written authorization from the Plant Logistics Manager.

The plant is closed, and the receiving dock is unavailable on the following 2026 company-observed holidays:

<u>Holiday</u>	<u>2026 Date</u>
New Year's Day	Thursday, January 1
Memorial Day	Monday, May 25
Independence Day	Friday, July 3 (observed)
Labor Day	Monday, September 7
Thanksgiving Day	Thursday, November 26
Day After Thanksgiving	Friday, November 27
Christmas Eve	Thursday, December 24
Christmas Day	Friday, December 25

The plant also observes a scheduled summer maintenance shutdown from the first Monday in July through the following Friday. Receiving is closed during the shutdown. Inbound shipments scheduled for shutdown dates must be rescheduled per Section 8.

2.3 Material Flow at Meridian

Inbound material flows through the plant in four stages:

1. **Receiving** (covered by this SOP): material arrives at the dock, is verified, and is either accepted, quarantined, or refused.
2. **Putaway** (Inventory Control team): accepted material is moved to its assigned warehouse location.
3. **Line Replenishment** (SOP-LOG-MER-03): material is pulled from inventory to line-side staging.
4. **Production Consumption**: material is incorporated into finished assemblies.

The Inbound Materials Coordinator owns Stage 1 in full and authorizes the transition to Stage 2.

3. Definitions & Vocabulary

If a Coordinator encounters a term they do not understand, or that is not defined here, they must ask the Receiving Supervisor before proceeding.

3.1 General Receiving Terms

- **Inbound Materials Coordinator**: The role this SOP is written for. Often shortened to "Coordinator" in this document. The Coordinator processes inbound paperwork, updates system-of-record files, communicates with suppliers and internal teams, and authorizes putaway. The Coordinator does not physically handle material.
- **Dock Crew**: The forklift operators and material handlers who physically receive trucks, unload pallets, move material to inspection areas, and execute putaway. The Dock Crew

reports physical findings to the Coordinator. The Dock Lead (Curtis Yablonski) is the Coordinator's primary point of contact on the dock floor.

- **Receiving Dock:** The physical area at the Meridian plant where inbound trucks are unloaded. The Meridian plant has four dock doors (Dock 1 through Dock 4).
- **Dock Appointment:** A scheduled time window during which a specific carrier and shipment are expected to arrive at a specific dock door. Appointments are recorded in `dock_schedule.xlsx`.
- **Dock Check-In:** The moment the Dock Crew's arrival post appears in #receiving-dock with the scanned BOL and packing slip uploaded. This is the official "arrival" timestamp for SOP timing purposes.
- **Dock-to-Stock Time:** The elapsed time from dock check-in to the moment material is released for putaway. The Meridian target for standard parts is ≤ 2 hours; for safety-critical parts, ≤ 4 hours.

3.2 Document & Order Terms

- **PO (Purchase Order):** A formal order issued by Gear Systems Procurement to a supplier, authorizing the supplier to ship a defined quantity of specified parts by a specified date at an agreed price. PO numbers at Meridian follow the format MER-PO-NNNNNN (e.g., MER-PO-104872).
- **PO Line:** A single line item on a multi-line PO. One PO may contain many lines, each for a different SKU. Lines are numbered sequentially (Line 001, Line 002, etc.).
- **SKU (Stock Keeping Unit):** The unique part number identifier for a specific item. Gear Systems SKUs use the format LL-NNNNN-RR, where LL is the part family code, NNNNN is the part number, and RR is the revision (e.g., AX-04827-B2 is an axle housing forging, revision B2).
- **Part Family Code:** The two-letter prefix on a SKU that identifies the part family. See the part family table in Section 7.3.
- **Revision:** The two-character suffix on a SKU indicating the engineering revision level of the part. A revision change indicates that the part has been engineered or specified differently from a prior version. Revisions are not interchangeable unless explicitly approved as a substitute (see Section 9.4).
- **BOL (Bill of Lading):** The shipping contract between the supplier and the carrier, also serving as the receipt of goods by the carrier from the supplier. The BOL accompanies the truck and is scanned by the Dock Crew at check-in.
- **Packing Slip:** The document supplied by the supplier listing what is in the shipment, by SKU and quantity. The packing slip is the Coordinator's primary reference for verifying shipment contents.
- **ASN (Advance Shipment Notice):** An electronic notification sent by the supplier prior to shipment indicating what is being shipped and when it is expected to arrive. ASNs are received as PDF email attachments at receiving.meridian@gearsystems.com and are filed in the ASN email folder. ASNs are advisory only — the packing slip is the controlling document at receipt.
- **COC (Certificate of Conformance):** A document signed by the supplier certifying that the parts in the shipment conform to the engineering specification on the PO. Required for all safety-critical parts. See Section 12.

- **MTR (Mill Test Report):** A document from the metal mill that produced the raw material certifying the chemical and mechanical properties of the steel, including heat number(s). Required for all safety-critical forgings, castings, and machined components. See Section 12.
- **Heat Number:** A unique identifier assigned by the steel mill to a specific batch (“heat”) of steel. Every safety-critical part traces back to a heat number, which traces back to an MTR. Heat numbers are physically stamped or etched on the part and are also listed on the COC and MTR.
- **SDS (Safety Data Sheet):** A document required for hazardous materials describing handling, storage, and emergency procedures. Required for all hazmat shipments. See Section 17.1.

3.3 Disposition & Discrepancy Terms

- **Disposition:** The decision the Coordinator makes about a shipment after verification: accept, quarantine, partially accept, or refuse.
- **Variance:** Any difference between what the PO specifies and what was actually delivered. Variances may be in quantity, SKU, condition, or documentation.
- **Variance Band:** The categorized severity range of a quantity variance. See Section 10.
- **Short Ship:** A shipment containing fewer units than the PO specifies for one or more lines.
- **Over Ship:** A shipment containing more units than the PO specifies for one or more lines.
- **Damage Tier:** The categorized severity of physical damage observed in a shipment. See Section 11.
- **Concealed Damage:** Damage to a part that is not visible at receipt and is discovered later, typically during putaway or first use. See Section 11.6.
- **Quarantine:** The status applied to material that has been received into the building but is not authorized for use pending disposition. Quarantined material is physically segregated in the **Quarantine Cage** (warehouse location code Q-HOLD) and is flagged in `inventory_master.xlsx` with the QUARANTINE status.
- **NCR (Nonconformance Report):** A formal written record of a supplier nonconformance, sent to the supplier and tracked internally. See Section 14.
- **Carrier Claim:** A formal claim filed against the freight carrier (not the supplier) for damage that occurred in transit. See Section 11.6.3.
- **Refusal:** The act of declining to receive a shipment at the dock and returning it to the carrier without unloading. Refusal is the most severe disposition and requires specific authorization. See Section 8.7.

3.4 Supplier Terms

- **Supplier:** An external company that provides material to Gear Systems under a purchase agreement. Each supplier has a unique Supplier ID in the format SUP-NNNN.
- **Supplier Status:** The active relationship state between Gear Systems and a supplier. The four statuses are **Approved**, **Probation**, **New**, and **Suspended**. See Section 15.1.
- **Approved Supplier List (ASL):** The master list of suppliers authorized to provide material to Gear Systems. Maintained in `supplier_master.xlsx`.
- **Repeat Offender:** A supplier that has received two or more NCRs within a rolling 90-day window. See Section 15.3.

- **Inter-Plant Transfer:** A shipment from another Gear Systems plant (Birmingham or Pittsburgh) rather than from an external supplier. Inter-plant transfers follow modified rules per Section 17.4.

3.5 Safety-Critical Terms

- **Safety-Critical Part:** A part whose failure could cause injury, vehicle accident, or non-compliance with DOT regulations. At Meridian, safety-critical parts include axle components, driveshaft components, fasteners with specified torque values, and braking-related components. Safety-critical parts are flagged in `open_pos.xlsx` in the `Safety_Critical` column with the value Y. The full identification rules are in Section 7.
- **Standard Part:** Any part not flagged as safety-critical. Includes consumables, packaging, MRO supplies, and non-load-bearing components.
- **Traceability Chain:** The unbroken documentary link from a finished assembly back through every safety-critical component to its heat number, MTR, and supplier. Gear Systems is required to maintain traceability chains for **7 years** after the date of vehicle manufacture.
- **DOT:** United States Department of Transportation. The federal regulator whose rules govern commercial vehicle safety and component traceability.

3.6 Dates, Times, Units, and Currency

The following formatting conventions apply throughout this document and to all entries in any reference file:

- **Time zone:** All times are Central Standard Time (CST), expressed in 24-hour format (e.g., 14:30 CST, not 2:30 PM). Daylight Saving Time is observed; the time zone is recorded as CST year-round in plant systems regardless of DST.
- **Dates:** MM/DD/YYYY (e.g., 02/15/2026). Never use 2/15/26 or 15-Feb-26.
- **Date and time combined:** MM/DD/YYYY HH:MM CST (e.g., 02/15/2026 09:45 CST).
- **Weight:** Pounds (lb) for individual parts and pallets; tons (US tons, 2,000 lb) only for full truckloads. Never metric.
- **Dimensions:** Inches for parts; feet for pallets and shipments. Never metric.
- **Currency:** US Dollars (USD), expressed as \$NN,NNN.NN (e.g., \$14,250.00). Always include cents, even for round amounts.
- **Quantities:** Whole numbers for discrete parts (e.g., 144 units); pounds with one decimal place for bulk material (e.g., 2,450.5 lb).

4. Roles & Contacts

This section lists every named person referenced in this document. The Coordinator must know these names, emails, Slack handles, and areas of ownership. **Always direct communication to the named owner of an issue. Do not broadcast to multiple owners “to be safe.” This dilutes accountability and clogs internal channels.**

4.1 Direct Reporting Chain

Position: Inbound Materials Coordinator

Name: (this position)

Email: receiving.meridian@gearsystems.com

Slack: @receiving-mer

Responsibility: SOP-LOG-MER-02

Position: Receiving Supervisor

Name: Darnell Hooks

Email: darnell.hooks@gearsystems.com

Slack: @dhooks

Responsibility: Direct supervisor. First escalation point for all Coordinator questions and exceptions. Approves overtime, schedule deviations, and unusual receipts

Position: Plant Logistics Manager

Name: Elizabeth Velasquez

Email: elizabeth.velasquez@gearsystems.com

Slack: @evelasquez

Responsibility: Second escalation point. Owns this SOP document. Approves dollar escalations of \$5,000–\$25,000 and exceptions to receiving hours.

Position: Plant Manager

Name: Walter Finch

Email: walter.finch@gearsystems.com

Slack: @wfinch

Responsibility: Top of the plant escalation chain. Approves dollar escalations greater than \$25,000, line-down emergencies, and supplier suspensions.

4.2 Cross-Functional Contacts — Meridian Plant

- **Curtis Yablonski (Dock Lead):** `curtis.yablonski@gearsystems.com` / `@cyablonski`. Lead of the dock crew. Reports physical findings (damage, count discrepancies, identification issues) to the Coordinator via Slack. The Coordinator's primary contact during a shift.
- **Theo Brandt (Quality Manager):** `theo.brandt@gearsystems.com` / `@tbrandt`. Owns all quality dispositions, NCR review, safety-critical material release authorization, heat number verification disputes, and quarterly audits. Any safety-critical paperwork failure is escalated to Theo.
- **Joon-ho Park (Procurement Lead, Meridian):** `joonho.park@gearsystems.com` / `@jpark`. Owns `supplier_master.xlsx`. Handles supplier disputes, supplier status changes, repeat-offender review, and any communication regarding commercial terms (price, payment, contract). The Coordinator never discusses commercial terms with suppliers.
- **Maribel Ortiz (Inventory Control Lead):** `maribel.ortiz@gearsystems.com` / `@mortiz`. Owns `inventory_master.xlsx` and putaway execution. Resolves system-of-record disputes and authorizes corrections to posted receiving log entries older than the current shift.
- **Aditi Krishnamurthy (Production Planning Lead):** `aditi.krishnamurthy@gearsystems.com` / `@akrishnamurthy`. Notified of any short ship or quarantine that creates line-down risk. Owns the production schedule and determines whether a shortage is critical.
- **Reggie Lemoine (Quality Inspector, 1st shift):** `reggie.lemoine@gearsystems.com` / `@rlemoine`. Performs physical inspections of safety-critical parts at the Coordinator's request. Reports findings via Slack post in `#quality-alerts` and via marked-up packing slip PDFs sent by email.
- **Chris Wojciechowski (Plant EHS Contact):** `chris.wojciechowski@gearsystems.com` / `@cwoj`. Owns hazmat receiving compliance and EHS escalations. Notified on all hazmat receipts and any hazmat documentation issues.
- **Yuki Tanaka (RMA Coordinator, Quality):** `yuki.tanaka@gearsystems.com` / `@ytanaka`. Owns customer returns processing under SOP-QUA-MER-08. Receives all customer- return redirects from the receiving dock.

4.3 Sister-Plant Contacts (Inter-Plant Transfers)

<u>Plant</u>	<u>Role</u>	<u>Name</u>	<u>Email</u>
Birmingham	Plant Logistics Manager	Sherri Olds	<code>sherri.olds@gearsystems.com</code>
Pittsburgh	Plant Logistics Manager	Anand Krishnan	<code>anand.krishnan@gearsystems.com</code>

Inter-plant transfer NCRs are routed to the sending plant's logistics manager rather than to an external supplier contact. See Section 17.4 for full inter-plant transfer rules.

4.4 Backup Coverage

When a primary contact is unavailable (vacation, illness, off-shift), use the following backup chain. **Do not skip the backup chain to escalate higher unless explicitly instructed.**

<u>Primary</u>	<u>Backup</u>
Darnell Hooks (Receiving Supervisor)	Elizabeth Velasquez
Elizabeth Velasquez (Plant Logistics Manager)	Walter Finch
Theo Brandt (Quality Manager)	Reggie Lemoine for inspections; Elizabeth Velasquez for dispositions
Joon-ho Park (Procurement Lead)	Elizabeth Velasquez
Maribel Ortiz (Inventory Control Lead)	Darnell Hooks
Curtis Yablonski (Dock Lead)	Senior dock crew member on shift; identified at start of shift in #receiving-dock
Chris Wojciechowski (EHS) Yuki Tanaka (RMA Coordinator)	Elizabeth Velasquez
	Theo Brandt

If a primary AND their backup are both unavailable and the issue cannot wait, escalate to the Plant Manager (Walter Finch) with the post format described in Section 16.4.

5. Reference Files

All Gear Systems Meridian receiving operations use a shared set of Excel workbooks as the system of record. **There is no ERP system in this SOP.** Every “system update” referenced in this document is an entry into one of the workbooks listed below. The workbooks live on the plant’s workspace at .

If it isn’t in the workbook, it didn’t happen. Verbal updates, sticky notes, and personal spreadsheets are not records and have no standing in audits or disputes.

The Coordinator must verify information from the source workbook before responding to any inquiry, taking any disposition action, or sending any communication. Do not rely on memory or on what a colleague told you. Always open the file.

5.1 Primary Reference File Inventory

- **open_pos.xlsx** — Owner: Joon-ho Park (Procurement). All currently open POs at Meridian, including PO number, supplier ID, line items (SKU, quantity ordered, unit price, requested ship date, requested delivery date), safety-critical flag, hazmat flag, approved- substitute list, approved-revisions list, customer-substitution list, customer-override flag, New supplier safety-critical pre-approval flag, DTL flag, and customer-doc-required flag.

Updated nightly by Procurement. *Opened at the start of every shipment verification, to locate the PO and confirm what was ordered.*

- **receiving_log.xlsx** — Owner: Darnell Hooks (Receiving Supervisor). The official record of every receipt at Meridian. One row per PO line received. Columns include: Receipt ID, PO number, PO line, SKU, quantity received, condition, disposition, Coordinator initials, timestamps, NCR number (if any), and notes. *The Coordinator updates this file in real time as each shipment progresses.*
- **inventory_master.xlsx** — Owner: Maribel Ortiz (Inventory Control). The current on-hand inventory of every SKU at Meridian, by warehouse location. Includes quarantine status, heat number reference (for safety-critical parts), and last-update timestamp. *Opened when releasing material to putaway, when applying a quarantine flag, and when investigating a possible duplicate or missing receipt.*
- **supplier_master.xlsx** — Owner: Joon-ho Park (Procurement). The Approved Supplier List. Includes supplier ID, name, commercial and quality contact info, supplier status (Approved / Probation / New / Suspended), date of last status change, status reason, probation end date, NCR history summary, and any active alerts. Updated by Procurement only — Coordinator never edits this file. *Opened on every shipment, to verify supplier status before authorizing any disposition; also when identifying repeat offenders per Section 15.3.*
- **ncr_log.xlsx** — Owner: Theo Brandt (Quality). The master log of all Nonconformance Reports issued at Meridian. Includes NCR number, supplier ID, PO number, SKU, NCR type, severity, dollar value, status (Open / Supplier Response Received / Resolved / Closed), and dates. *Opened when issuing a new NCR and when checking supplier NCR history.*
- **dock_schedule.xlsx** — Owner: Darnell Hooks (Receiving Supervisor). The dock appointment schedule for the current and next two weeks. Columns include: appointment date/time, dock door, carrier name, supplier ID, expected PO number(s), expected weight, hazmat flag, and special handling notes. *Opened at the start of every shift to review the day's expected arrivals, and whenever a truck arrives to verify its appointment.*

5.2 Secondary Reference Files

These files are opened less frequently but are referenced by specific procedures throughout this document.

- **closed_pos_archive.xlsx** — Owner: Joon-ho Park. POs closed within the past 90 days, with closure date and closure reason (Fulfilled, Cancelled, Expired). *Opened when a PO number on a packing slip is not found in open_pos.xlsx — see Section 9.2.2.*
- **carrier_claims_log.xlsx** — Owner: Darnell Hooks. Log of all carrier freight claims filed by Meridian, including claim number, carrier, BOL, damage description, dollar value, filing date, and current status. *Opened when filing a new carrier claim (Section 11.6.3).*
- **carrier_contacts.xlsx** — Owner: Darnell Hooks. Carrier company contact information: operations contacts, claims department addresses, and account numbers. *Opened when contacting a carrier for BOL reissue or damage claim filing.*
- **customer_list.xlsx** — Owner: Sales (not plant-owned). Master list of active Gear Systems customers. Used by the Coordinator only to identify whether an unknown shipper is a customer returning material. *Opened when identifying a possible customer return at the dock (Section 17.5.1).*

- **rma_redirects_log.xlsx** — Owner: Yuki Tanaka (RMA Coordinator). Log of customer return shipments that arrived at the receiving dock and were redirected to RMA. *Opened when redirecting a customer return (Section 17.5.2).*
- **corrective_actions_log.xlsx** — Owner: Theo Brandt. Log of audit-triggered corrective action items assigned to Receiving. Tracks assignment, deadline, and completion. *Opened when reviewing Coordinator-assigned corrective actions (Section 19.4).*

5.3 File Access and Editing Rules

- All workbooks are on the workspace. **Never download a local copy to edit.** Local copies create version conflicts that destroy data.
- Always close files when not actively editing them. A file left open by one user blocks edits by others.
- If a file is locked by another user when you need to edit it, post in #receiving-dock: FILE LOCK: [filename] – please release and wait for confirmation before retrying.
- Read-only for the Coordinator: supplier_master.xlsx (owned by Procurement), closed_pos_archive.xlsx, customer_list.xlsx, and corrective_actions_log.xlsx. The Coordinator can update receipt and quarantine entries in inventory_master.xlsx via a defined procedure in Section 13, but cannot edit other rows.
- Read/write for the Coordinator: receiving_log.xlsx, ncr_log.xlsx, dock_schedule.xlsx (actual arrival fields), carrier_claims_log.xlsx, and rma_redirects_log.xlsx. Read-only on PO data in open_pos.xlsx; read/write on the “Receipt Status” column only.

5.4 Carrier Paperwork (PDF)

In addition to the workbooks above, the Coordinator handles inbound PDF documents:

- **Packing slips** — received either physically with the truck (scanned by the Dock Crew at check-in and uploaded to packing_slips\ with the filename MER-PO-NNNNNN_packingslip.pdf) or as email attachments from the supplier in advance.
- **BOLs** — handled physically with the truck and scanned to bols\ with the filename MER-PO-NNNNNN_bol.pdf.
- **COCs and MTRs** — may arrive as email attachments from the supplier prior to delivery, as physical documents with the shipment, or both. Scanned and stored in quality_docs\ with filenames MER-PO-NNNNNN_COC.pdf and MER-PO-NNNNNN_MTR.pdf.
- **Photos** of damage, defects, or paperwork issues — taken by the Dock Crew or Quality Inspector and emailed to the Coordinator. Saved in photos\ in a folder named MER-PO-NNNNNN_YYYYMMDD\.
- **SDSs and hazmat manifests** — saved to sds\ and hazmat_manifests\ respectively. See Section 17.1.
- **Quarantine release authorizations** — email approvals printed to PDF and saved to quarantine_releases\. See Section 14.7.
- **Refusal documentation** — annotated BOLs and photos of refused shipments saved to refusals\.

The Coordinator does not scan documents themselves. That is the Dock Crew's responsibility. The Coordinator's job is to verify the scan exists, open and read it, and reference it in the receiving log entry by filename.

6. Timing Reference

Every action in this SOP has a defined time expectation. The full schedule is consolidated below for quick lookup. Each timing is also embedded in the relevant procedure section. A timing breach is itself a reportable event. If a Coordinator is going to miss a timing, they must post in #receiving-dock with the format: TIMING BREACH: [Activity], PO #[Number], expected by [Time], reason: [Brief reason].

6.1 Receiving Activity Timings

Activity	Time Expectation	Measured From	Section
Log shipment arrival in receiving_log.xlsx	Within 15 minutes	Dock check-in	8.2
Locate PO in open_pos.xlsx and complete initial PO match	Within 30 minutes	Dock check-in	9.1
Quantity disposition decision (standard parts)	Within 60 minutes	Dock check-in	10
Quantity disposition decision (safety-critical parts)	Within 90 minutes	Dock check-in	10
Documentation gate decision (safety-critical parts)	Within 90 minutes	Dock check-in	12
Apply quarantine flag in inventory_master.xlsx	Immediately upon disposition decision (no batching)	Disposition decision	13.3
Authorize putaway (Slack post to #receiving-dock)	Within 15 minutes	Final disposition	13.4
Create NCR in ncr_log.xlsx	Within 2 hours	Disposition decision	14.2
Send NCR letter to supplier	Within 24 hours	Disposition decision	14.4
Schedule re-inspection calendar event for quarantined material	Within 2 hours	Quarantine flag applied	14.6
End-of-shift handoff post in #receiving-dock	At least 15 minutes before scheduled shift end	Shift end	18.4

6.2 Supplier and Carrier Response Windows

Activity	Window	Section
Supplier response to missing-documentation request	5 business days from request sent	12.4
Activity	Window	Section
Supplier response to standard NCR (Minor)	15 business days from NCR sent	14.5
Supplier response to standard NCR (Major)	10 business days from NCR sent	14.5
Supplier response to Critical NCR	3 business days from NCR sent	14.5
Concealed damage discovery window (claim still valid)	10 business days post-receipt	11.7
Carrier claim filing window	5 business days post-receipt	11.6.3

6.3 Records and Audit Timings

Activity	Window	Section
Receiving log entry retrievable on auditor request	Within 1 business day of request	19
Safety-critical records retention (COC, MTR, NCR for safety-critical parts)	7 years	19 3
Standard receiving records retention	years	19
Quarterly internal audit (Quality team)	Quarterly, scheduled by Theo Brandt	19

6.4 What to Do When You Cannot Meet a Timing

If a Coordinator realizes they cannot meet a timing, they must take the following actions, in order:

1. **Do not stop the work.** Keep processing.
2. Post a TIMING BREACH notice in #receiving-dock with the format above.
3. Notify the Receiving Supervisor (Darnell Hooks) by direct Slack message.
4. Document the reason in the Notes column of the relevant receiving_log.xlsx row.
5. Continue processing under the next applicable section. Timing breaches do not change the procedural steps — they only change the visibility of the breach to supervision.

A timing breach is not a disciplinary event by itself. Repeated unexplained breaches are reviewed in the quarterly audit (Section 19).

7. The Two-Track Model: Safety-Critical vs. Standard Parts

This section is the **single most important concept in this document**. Every disposition procedure in Sections 8 through 17 branches based on whether the parts in question are safety-

critical or standard. Misidentifying the track is the most consequential error a Coordinator can make. Read this section carefully and refer back to it whenever there is any doubt.

7.1 Why Two Tracks Exist

Gear Systems manufactures components for commercial vehicles operated on public roads. A failed axle or driveshaft on a commercial truck can cause an accident that kills people. Federal regulations (DOT 49 CFR Part 579 and related) require manufacturers of safety-critical vehicle components to maintain documentary traceability from the finished vehicle back through every safety-critical component to the raw material it was made from.

If a defect is discovered in a finished vehicle and Gear Systems cannot prove which heat of steel a particular axle was forged from, every axle made from every heat that could possibly have been involved must be assumed defective. A traceability gap turns a recall of dozens of parts into a recall of tens of thousands.

The two-track model exists to ensure that this never happens. Safety-critical parts are subject to enhanced documentation, longer disposition windows, mandatory Quality involvement, and stricter quarantine rules. Standard parts move faster.

7.2 How to Identify Safety-Critical Parts

A part is safety-critical if **any** of the following conditions is true. The Coordinator must check all three.

Condition 1: PO flag. Open `open_pos.xlsx` and find the relevant PO line. Check the `Safety_Critical` column. If the value is Y, the part is safety-critical. If the value is N, proceed to Condition 2.

Condition 2: Part family code. Look at the SKU on the packing slip. The first two letters are the part family code. If the code appears in the “Always Safety-Critical” column of the table in Section 7.3, the part is safety-critical, **regardless of what `open_pos.xlsx` says**. If the PO flag and the part family code conflict, the part family code wins, and the Coordinator must immediately notify Procurement (Joon-ho Park) of the discrepancy by email so the PO can be corrected.

Condition 3: Customer requirement override. Some POs include a customer-driven requirement that elevates a normally-standard part to safety-critical for that specific PO. This is recorded in `open_pos.xlsx` in the `Customer_Override` column. If that column contains the value `SAFETY_CRITICAL`, the part is treated as safety-critical for this PO regardless of any other indicator.

If any of the three conditions indicates safety-critical, the part is safety-critical. When in doubt, treat the part as safety-critical and contact Theo Brandt for clarification. Treating a standard part as safety-critical is a minor inefficiency; treating a safety-critical part as standard is a major nonconformance that may be reportable to the customer.

7.3 Part Family Code Reference Table

This table is the canonical reference for part family classification at Meridian. Memorize the “Always Safety-Critical” column.

Code	Part Family	Examples	Always Safety-Critical?
AX	Axle components	Axle housings, axle shafts, spindles, hubs	Yes
DS	Driveshaft components	Yokes, slip joints, tube assemblies, U-joints	Yes
TR	Transmission components	Gear blanks, shafts, synchronizers	Yes
BR	Braking-related components	Brake drums, brake spiders, ABS sensors	Yes
FS	Fasteners (torque-specified)	High-grade bolts, studs, lug nuts with specified torque	Yes
BG	Bearings and seals	Wheel bearings, pinion seals, oil seals	Yes
FG	Forgings (raw or rough)	Unmachined axle and driveshaft forgings	Yes
FL	Fluids and lubricants	Gear oil, grease, hydraulic fluid	No (standard)
PK	Packaging materials	Pallets, dunnage, banding, shrink wrap	No (standard)
MR	MRO supplies	Tooling consumables, cleaning supplies, shop rags	No (standard)
EL	Electrical components (non-safety)	Indicator lights, internal wire harnesses	No (standard)
LB	Labels and identification	Part labels, shipping labels, stickers	No (standard)
OF	Office and admin supplies	Forms, printer supplies	No (standard)

If a SKU prefix is not in this table, the Coordinator must contact Joon-ho Park (Procurement) for classification before processing the receipt. **Do not guess.**

7.4 The Two Tracks at a Glance

The following table summarizes how the two tracks differ. Each downstream section provides the full procedure; this table is a quick reference.

Aspect	Standard Track	Safety-Critical Track	Disposition
timing	60 minutes from check-in	90 minutes from check-in	Documentation
Packing slip only required	Packing slip + COC + MTR + heat	number verification	
Missing documentation handling	NCR if material, otherwise note in log	Quarantine immediately , no exceptions	
Quality involvement	Only on damage Tier 2 or higher	Always , on every receipt	
Quarantine threshold	Tier 2 damage, >5% short, missing critical paperwork	Any ambiguity, any documentation gap, any heat number issue	

Aspect	Standard Track	Safety-Critical Track
Putaway authorization	Coordinator alone	Coordinator + Quality (Theo Brandt) email approval
Records retention	3 years	7 years
Inter-plant transfer rules	Lighter (see 17.4)	Same as external supplier
New supplier (status New) inspection	Standard	100% inspection by Quality
NCR severity floor	Minor	Major minimum
Repeat-offender threshold	2 NCRs in 90 days	1 NCR triggers Procurement review

7.5 The Precedence Rule

A single shipment may simultaneously trigger discrepancies under quantity (Section 10), condition (Section 11), and documentation (Section 12). **Process all three independently. Do not skip any of them on the assumption that another section's finding has already resolved the situation.**

After processing all applicable sections, take the **most severe action** indicated by any of them. Severity from highest to lowest:

1. **Refuse the shipment** (Tier 3 catastrophic damage, suspended supplier, hazmat without SDS)
2. **Quarantine the entire shipment** (any safety-critical paperwork failure, heat number mismatch, missing COC on safety-critical part)
3. **Quarantine the affected line(s)** (Tier 2 damage on specific lines, material short ship outside acceptable band)
4. **Accept with NCR** (minor variances above the auto-accept threshold)
5. **Accept with notation** (minor variances within the auto-accept threshold)

A safety-critical paperwork failure overrides every other consideration. A perfectly-condition, exact-quantity safety-critical shipment with a missing COC is quarantined, period. The physical condition is irrelevant.

When the Coordinator has applied actions from multiple sections, the receiving log Disposition column records the **most severe** action, and the Notes column records each contributing finding with a reference to the section that triggered it. Example: Disposition: QUARANTINE – full shipment. Notes: Sec 12 missing COC (safety-critical); Sec 10 short ship 4.2% within Band 1; Sec 11 Tier 1 cosmetic damage to outer packaging on 3 of 24 pallets. # 8. Dock Appointments & Arrivals

This section covers the procedure from the moment a truck arrives at the Meridian receiving dock through the moment the Coordinator has the carrier paperwork in hand and is ready to begin PO matching (Section 9).

8. Dock Appointments & Arrivals

8.1 The Dock Schedule

All inbound shipments to Meridian must have a dock appointment. Appointments are recorded in `dock_schedule.xlsx`, which the Coordinator opens at the start of every shift and keeps open throughout the day.

The dock schedule contains the following columns:

Column	Contents
Appointment_ID	Unique identifier in the format APPT-YYYYMMDD-NNN (e.g., APPT-20260215-007)
Scheduled_Date	MM/DD/YYYY
Scheduled_Window_Start	HH:MM CST
Scheduled_Window_End	HH:MM CST
Dock_Door	Dock 1, Dock 2, Dock 3, or Dock 4
Carrier_Name	The freight carrier (e.g., Yellow Freight, XPO Logistics)
Supplier_ID	The Gear Systems supplier ID in the format SUP-NNNN
Supplier_Name	Plain-language supplier name
Expected_PO_Numbers	Comma-separated list of PO numbers expected on the truck
Expected_Weight_lb	Estimated total shipment weight in pounds
Hazmat_Flag	Y or N
Special_Handling	Free-text notes (e.g., “oversize”, “temperature controlled”, “lift gate required”)
Actual_Arrival_Time	HH:MM CST — populated by the Coordinator when the truck arrives
Actual_Departure_Time	HH:MM CST — populated when the truck leaves
Status	Scheduled, Arrived, Unloading, Complete, Refused, No-Show

Start-of-shift review: At the start of every first shift, the Coordinator opens `dock_schedule.xlsx`, filters to the current day, and reviews every appointment. The Coordinator notes any hazmat flags, oversize handling notes, and unusually large shipments, and posts a summary in `#receiving-dock` using the format in Template 23.

This post is mandatory and is due no later than **15 minutes after shift start** (06:15 CST).

8.2 Truck Arrives — Dock Check-In

When a truck arrives at the Meridian receiving gate, the Dock Crew meets the driver, collects the carrier paperwork, and delivers scanned copies to the Coordinator. The paperwork — at minimum a BOL and a packing slip — arrives via one of two channels: (a) scanned by the Dock Crew at the gate and uploaded to `packing_slips\` and `bols\` (see Section 5.4 for filenames), with a Slack post in `#receiving-dock` announcing the scan, or (b) emailed to the Coordinator by the Dock Crew if scanner access is unavailable. The moment the Coordinator has the paperwork in hand is **dock**

check-in. The dock check-in time is the official “arrival” timestamp for all SOP timing purposes (Section 6).

Within **15 minutes** of dock check-in, the Coordinator must:

1. **Record the actual arrival time** in `dock_schedule.xlsx` in the `Actual_Arrival_Time` column for the matching appointment row, and update `Status` to `Arrived`.
2. **Create a new row in `receiving_log.xlsx`** with the following fields populated:
 - `Receipt_ID`: auto-generated in the format `REC-YYYYMMDD-NNN` (the next sequential number for the day)
 - `Arrival_Timestamp`: `MM/DD/YYYY HH:MM CST`
 - `Dock_Door`: from the appointment
 - `Supplier_ID`: from the BOL or appointment
 - `Carrier_Name`: from the BOL
 - `Coordinator_Initials`: the Coordinator’s initials
 - `Status`: `In Process`
 - All other columns left blank for now (to be populated as the receipt progresses)
3. **Confirm the shipment matches an appointment** by locating the row in `dock_schedule.xlsx` with the matching `Supplier_ID` and a `Scheduled_Date` of today.

If the shipment matches an appointment scheduled for today, the Coordinator proceeds based on whether the truck is on time, early, or late (Sections 8.3, 8.4, 8.5). If no matching appointment is found, the Coordinator follows the no-appointment procedure (Section 8.6).

8.3 Truck Arrives On Time

A truck is **on time** if it arrives within the scheduled window — that is, at or after `Scheduled_Window_Start` and at or before `Scheduled_Window_End`. The standard appointment window at Meridian is 60 minutes wide.

Procedure for on-time arrivals:

1. Update `dock_schedule.xlsx`: `Status` → `Arrived`, `Actual_Arrival_Time` → current timestamp.
2. Notify the Dock Crew via Slack post in `#receiving-dock`. The Dock Crew will direct the driver to the assigned dock door per the appointment based on this post.

ARRIVAL ON TIME: `APPT-[ID]`, `[Supplier_Name]`, `Dock [N]`, `PO #[Number(s)]`. Cleared to unload.

4. Proceed to Section 9 (PO Matching).

8.4 Truck Arrives Early

A truck is **early** if it arrives before `Scheduled_Window_Start`. Early arrivals are categorized into three bands based on how early they are.

8.4.1 Slightly Early (≤ 30 minutes early)

The truck may be processed normally and may proceed to its assigned dock door immediately if the door is available. If the door is occupied by an earlier appointment still unloading, the truck waits in the staging yard until the door is free.

1. Update dock_schedule.xlsx: Actual_Arrival_Time → current timestamp, Status → Arrived. Add a note in the Special_Handling column: Arrived [N] min early.
2. The Dock Crew will direct the driver to the assigned dock door (or to the staging yard if occupied) after seeing the Slack post below.
3. Notify the Dock Crew via Slack post:

ARRIVAL EARLY: APPT-[ID], [Supplier_Name], Dock [N], PO #[Number(s)], [N] min early. Cleared to unload.

4. Proceed to Section 9.

8.4.2 Moderately Early (31 minutes to 2 hours early)

The truck is held in the staging yard. It may not unload until its scheduled window opens **unless** the assigned dock door is empty AND no other appointment is scheduled to use it before this truck's window starts.

1. Update dock_schedule.xlsx: Actual_Arrival_Time → current timestamp, Status → Arrived. Add a note: Arrived [N] min early, holding.
2. Check the dock schedule for any conflicting appointments before this truck's window.
3. If no conflict, notify the Dock Crew that the early unload is permitted:

EARLY UNLOAD AUTHORIZED: APPT-[ID], [Supplier_Name], Dock [N], PO #[Number(s)], [N] min early, no schedule conflict. Cleared to unload.

4. If there is a conflict, instruct the driver to wait. Notify the Dock Crew:

EARLY ARRIVAL HOLDING: APPT-[ID], [Supplier_Name], staging yard, will unload at [scheduled window start].

5. Proceed to Section 9 once unloading begins.

8.4.3 Significantly Early (more than 2 hours early)

A truck arriving more than 2 hours early **may not be unloaded without Receiving Supervisor approval**, even if a dock door is available. The Coordinator must:

1. The Dock Crew holds the driver in the staging yard pending the Slack post below.
2. Update dock_schedule.xlsx: Actual_Arrival_Time → current timestamp, add note: Arrived [N] min early, awaiting supervisor approval.
3. Direct-message Darnell Hooks on Slack: Significantly early arrival – APPT-[ID], [Supplier_Name], [N] minutes early. Request approval to unload early or hold to scheduled window.
4. Wait for written response from Darnell. **Do not authorize unloading verbally or in person — the approval must be in Slack for the audit trail.**
5. Once Darnell responds, proceed accordingly. If approved, post in #receiving-dock:

EARLY UNLOAD APPROVED BY SUPERVISOR: APPT-[ID], [Supplier_Name], Dock [N], PO #[Number(s)]. Cleared to unload.

If denied, notify the driver to wait in the staging yard.

8.5 Truck Arrives Late

A truck is **late** if it arrives after Scheduled_Window_End. Late arrivals are categorized into three bands based on lateness.

8.5.1 Slightly Late (≤ 2 hours late)

Process normally. The lateness is noted but does not require escalation.

1. Update dock_schedule.xlsx: Actual_Arrival_Time → current timestamp. Add a note: Arrived [N] min late.
2. Verify that no later appointment has been scheduled for the same dock door that would now conflict. If a conflict exists, the late truck is unloaded at the next available dock door, and the Coordinator notifies the Dock Crew of the door change.
3. Notify the Dock Crew:

ARRIVAL LATE: APPT-[ID], [Supplier_Name], Dock [N], PO #[Number(s)], [N] min late. Cleared to unload.

4. Proceed to Section 9.

8.5.2 Materially Late (2 to 4 hours late)

The truck may still be unloaded the same day, but the Coordinator must check whether the late arrival creates a conflict with the remaining appointments and whether dock-to-stock time can still be met before end of shift.

1. Update dock_schedule.xlsx: Actual_Arrival_Time → current timestamp. Add note: Arrived [N] min late, materially late.
2. Calculate whether the remaining shift time is sufficient to complete dock-to-stock for this shipment (2 hours for standard, 4 hours for safety-critical). If not, post in #receiving-dock:

LATE ARRIVAL – DOCK-TO-STOCK AT RISK: APPT-[ID], [Supplier_Name], arrived [N] min late, [hours remaining] hours to shift end, [Standard/Safety-Critical]. Will proceed and flag if breach occurs.

3. Notify Darnell Hooks by direct Slack message if the shipment is safety-critical and is unlikely to complete same-day.
4. Proceed to Section 9.

8.5.3 Severely Late (more than 4 hours late)

A truck arriving more than 4 hours late **may not be unloaded without Receiving Supervisor approval**. The likelihood that dock-to-stock can be completed in the remaining shift is low, and unloading may need to be deferred to the next business day (which may require the truck to remain in the staging yard overnight or to depart and return).

1. The Dock Crew holds the driver in the staging yard pending the Slack post below.

2. Update dock_schedule.xlsx: Actual_Arrival_Time → current timestamp, add note: Arrived [N] min late, awaiting supervisor decision.
3. Direct-message Darnell Hooks on Slack with the format:
Severely late arrival – APPT-[ID], [Supplier_Name], [N] minutes late, [N] hours to shift end. PO #[Number(s)], [Standard/Safety-Critical], expected weight [N] lb. Request decision: unload today, hold overnight, or release carrier?
4. Wait for written response. Proceed per Darnell's instructions.
5. If Darnell instructs to hold overnight, update dock_schedule.xlsx: Status → Holding overnight and create a new appointment row for the following business day with Special_Handling note: Carryover from APPT-[ID].
6. If Darnell instructs to release the carrier, the driver leaves and the supplier must reschedule. Update dock_schedule.xlsx: Status → Released – late, no unload. Email the supplier per Template 1 (Late Arrival Released) and copy Joon-ho Park.

8.6 Truck Arrives With No Appointment

If a truck arrives and the Coordinator cannot find a matching appointment in dock_schedule.xlsx for today, the shipment is treated as a **no-appointment arrival**. This is a meaningful event — Meridian's appointment system exists for capacity and safety reasons, and unscheduled arrivals create cascading problems.

The procedure depends on whether the supplier and PO are identifiable.

8.6.1 Identifiable Supplier and PO

If the BOL or packing slip clearly identifies the supplier and a valid PO number that exists in open_pos.xlsx:

1. Verify the supplier in supplier_master.xlsx. If the supplier is Suspended, follow Section 15.2.4 immediately and **do not unload**.
2. Open dock_schedule.xlsx and search the past 14 days and next 7 days for any appointment matching this supplier. Common causes of no-appointment arrivals include: wrong-day arrivals (driver is one or more days early or late), missed appointment cancellations, or suppliers shipping without scheduling.
3. If you find a related appointment, note it in the new appointment row you'll create.
4. Direct-message Darnell Hooks: No-appointment arrival – [Supplier_Name], PO #[Number]. Identifiable. Request authorization to unload. Wait for written response.
5. If approved, create a new row in dock_schedule.xlsx with Appointment_ID in the format APPT-YYYYMMDD-UNS-NNN (where UNS indicates "unscheduled"). Populate all available fields. Set Status to Arrived and Special_Handling to Unscheduled arrival, supervisor approved.
6. Proceed to Section 9.
7. After the receipt is complete, send the supplier Template 2 (Unscheduled Arrival Notice) and copy Joon-ho Park. Repeated unscheduled arrivals from the same supplier are tracked and contribute to supplier performance review.

8.6.2 Identifiable Supplier but PO Not Found

If the supplier is identifiable but the PO number on the paperwork does not exist in `open_pos.xlsx`:

1. **Do not unload.**
2. The Dock Crew holds the driver in the staging yard pending the Slack post below.
3. Search `open_pos.xlsx` for any open POs from this supplier — the driver may have the wrong PO number on the paperwork or the PO may have been recently closed.
4. If a plausible match is found, direct-message Joon-ho Park: PO mismatch – [Supplier_Name] arrived with PO #[Number on paperwork]; closest match in system is PO #[Number found]. Please verify.
5. If no plausible match is found, direct-message Joon-ho Park: Unknown PO – [Supplier_Name] arrived with PO #[Number on paperwork], not found in `open_pos.xlsx` and no related open POs visible. Please advise.
6. Wait for Joon-ho's written response. **Do not unload until written authorization is received.** If Joon-ho is unavailable, escalate to Elizabeth Velasquez per the backup chain in Section 4.4.
7. If the PO is confirmed valid (e.g., the supplier had the wrong number on their paperwork but a valid PO exists), document the correction in the receiving log Notes column with a reference to the Slack message and proceed.
8. If the PO is confirmed invalid (no valid PO exists), the shipment must be refused. Follow Section 8.7.

8.6.3 Unidentifiable Supplier

If the BOL and packing slip do not clearly identify a supplier known to Gear Systems (i.e., the supplier name does not appear in `supplier_master.xlsx`):

1. **Do not unload.**
2. The Dock Crew holds the driver in the staging yard pending the Slack post below.
3. Post in #unknown-shipments with the format:
UNKNOWN SHIPMENT: Carrier [Carrier_Name], BOL #[Number], purported supplier "[name as written]", driver claims delivery for "[recipient as written]". Awaiting identification.
4. Direct-message Joon-ho Park and Darnell Hooks simultaneously.
5. Wait for written guidance. The shipment may be a misdirected delivery (intended for a different Gear Systems plant or a different company entirely), in which case it will be released.
6. Document the event in the receiving log under a placeholder Receipt_ID, regardless of outcome. Unknown shipments are reviewed in the quarterly audit (Section 19).

8.8 Refusing a Shipment at the Dock

A shipment may be refused at the dock — that is, declined before any material is unloaded — only under the following conditions:

- The supplier is Suspended per `supplier_master.xlsx` (Section 15.2.4)
- No valid PO exists for the shipment after Procurement verification (Section 8.6.2)

- The shipment is hazmat and lacks required SDS or hazmat manifest (Section 17.1)
- Tier 3 catastrophic damage is visible on the truck before unloading (Section 11.6)
- The Receiving Supervisor or Plant Logistics Manager has explicitly authorized refusal in writing

Refusal procedure:

1. Post in #receiving-dock instructing the Dock Crew to inform the driver that the shipment is being refused and not to unload.
2. **Do not authorize signing the BOL as a clean receipt.** If the carrier requires a signature to acknowledge attempted delivery, instruct the Dock Crew (via the same Slack post) to write the words **REFUSED – DO NOT UNLOAD** clearly above the signature line, sign and date, and photograph the annotated BOL. The Dock Crew uploads the photo to refusals\ with the filename REC-[ID]_refused_BOL.pdf and confirms in Slack when complete.
3. Update dock_schedule.xlsx: Status → Refused, Actual_Departure_Time → current timestamp. Add a note in Special_Handling describing the refusal reason.
4. Update receiving_log.xlsx: Status → Refused, Disposition → REFUSED AT DOCK, Notes → reason for refusal and reference to the authorizing Slack message or section of this SOP.
5. Verify the annotated BOL PDF exists at the expected path before proceeding. If the Dock Crew has not confirmed the upload within 10 minutes, follow up in #receiving-dock.
6. Post in #receiving-dock:
SHIPMENT REFUSED: REC-[ID], [Supplier_Name], PO #[Number if known], reason: [brief]. Carrier released at [time].
7. Email the supplier per Template 3 (Shipment Refused at Dock), copying Joon-ho Park and Darnell Hooks.
8. If the refusal is for a Suspended supplier, also post in #escalations-meridian per Section 15.2.4.

Refusal is irreversible once the carrier leaves. Do not refuse a shipment unless one of the conditions above is clearly met. When in doubt, accept into quarantine and disposition under Section 11 instead — quarantine preserves options, refusal closes them.

9. PO Matching

Once the Coordinator has accepted a truck for unloading and the Dock Crew has begun moving material into the receiving area, the next step is to verify that what was actually shipped matches what was ordered. This is **PO matching** and it must be completed within **30 minutes** of dock check-in.

PO matching is a paperwork exercise. The Coordinator does not physically count or inspect parts at this stage — that comes in Sections 10 and 11, after the dock crew has unloaded and reported. PO matching is about establishing what *should* be in the shipment so that physical findings can be compared against it.

9.1 Locating the PO

1. Open `open_pos.xlsx` if not already open.
2. Read the PO number from the packing slip. The PO number should appear prominently, typically in the upper right of the document. Gear Systems PO numbers follow the format MER-PO-NNNNNN.
3. Use Excel's Find function (Ctrl+F) to search the `PO_Number` column for the exact PO number. The PO should appear as one or more rows — one row per PO line.
4. If the PO is found, proceed to Section 9.3.
5. If the PO is not found, proceed to Section 9.2.

9.2 PO Not Found in `open_pos.xlsx`

If the PO number on the packing slip does not appear in `open_pos.xlsx`, there are three possible causes. The Coordinator must investigate each in order.

9.2.1 Possible Cause 1: Typo or Transcription Error

The PO number on the packing slip may contain a typo. Common errors include transposed digits, missing leading zeros, or the supplier writing the supplier's internal PO number rather than the Gear Systems PO number.

1. Re-read the PO number on the packing slip carefully. Check whether digits could be misread (0 vs O, 1 vs I, 5 vs S).
2. Search `open_pos.xlsx` for the supplier ID (visible on the packing slip and on the BOL). Filter to show only POs from this supplier.
3. Compare the visible POs against the packing slip number, looking for off-by-one or transposed-digit matches.
4. If a likely match is found, do **not** proceed on assumption. Direct-message Joon-ho Park: Possible PO transcription error – packing slip shows PO #[Slip number], closest match for [Supplier_Name] is PO #[System number]. Please confirm.
5. Wait for written confirmation. Once confirmed, document the correction in the Notes column of the receiving log with the reference: PO number on packing slip corrected from [Slip] to [System] per Slack confirmation from Joon-ho Park, [Date Time].

9.2.2 Possible Cause 2: PO Recently Closed or Cancelled

The PO may have been valid when the supplier shipped but has since been closed (fulfilled by an earlier shipment) or cancelled by Procurement.

1. Open `closed_pos_archive.xlsx`. This archive contains POs closed within the past 90 days.
2. Search for the PO number.
3. If found, note the closure date and reason (in the `Closure_Reason` column).
4. If the closure reason is Fulfilled, this shipment is a duplicate or an error. Direct-message Joon-ho Park: Duplicate shipment – PO #[Number] was closed as Fulfilled on [Date]. [Supplier_Name] has now arrived with another shipment for the same PO. Please advise.

5. If the closure reason is Cancelled, the shipment must be refused. Follow Section 8.7. Email the supplier per Template 4 (Shipment Against Cancelled PO). **Issue an NCR per Section 14, severity Major (or Critical if safety-critical per Section 14.3.3), type SUP.** The NCR documents that the supplier shipped against a cancelled PO — this is a supplier control failure regardless of the physical condition of the goods, and is required by the matrix in Section 14.1.
6. If the PO is not in the closed archive either, proceed to 9.2.3.

9.2.3 Possible Cause 3: Genuinely Unknown PO

If the PO is not found in `open_pos.xlsx`, not found by supplier-filtered search, and not found in `closed_pos_archive.xlsx`:

1. Direct-message Joon-ho Park and Darnell Hooks simultaneously: Unknown PO – [Supplier_Name] arrived with PO #[Number on packing slip], not in open or closed PO files. Material in dock area, awaiting guidance.
2. **Do not authorize putaway.** Material may be unloaded into the staging area but must not be moved into inventory.
3. Update `receiving_log.xlsx`: Status → Hold – Unknown PO. Leave the PO number column blank.
4. Wait for written guidance from Joon-ho or Darnell. The shipment may turn out to be intended for a different plant, may be the result of a Procurement error (PO created after shipment), or may be a genuine unauthorized supplier action.
5. Resolve per their guidance. Document the resolution in the Notes column.

9.3 Matching Line Items to the Packing Slip

Once the PO is located, the Coordinator compares the PO line items against the packing slip line items. **The PO is the authoritative document for what was ordered. The packing slip is the supplier's claim of what was shipped. The two should match. Where they do not, the receiving log records both what the PO ordered and what the packing slip claims.**

1. List every PO line: SKU, quantity ordered, unit price, requested ship date.
2. List every packing slip line: SKU, quantity claimed shipped.
3. For each PO line, find the matching packing slip line by SKU.
4. Record each line in `receiving_log.xlsx` as a separate row, all sharing the same Receipt_ID. Each row has its own PO_Line value (e.g., 001, 002, 003).
5. For each line, populate:
 - SKU: from the PO
 - Qty_Ordered: from the PO
 - Qty_Claimed_On_Slip: from the packing slip
 - Qty_Received: leave blank for now (populated after physical count)
 - Safety_Critical: Y or N per Section 7
 - Status: Awaiting Count
6. Identify any discrepancies between PO and packing slip:

- **PO line missing from packing slip:** The supplier did not ship a line that was ordered. This is treated as a 100% short ship for that line and will be processed under Section 10 once physical count confirms.
- **Packing slip line not on PO:** The supplier shipped a SKU that was not ordered. Proceed to Section 9.4.
- **SKU mismatch (similar but not identical SKUs):** Proceed to Section 9.4.
- **Quantity claimed differs from quantity ordered:** Note the discrepancy. Physical count in Section 10 will resolve which is correct.

9.4 Substitute and Superseded Part Numbers

A supplier may ship a part number that is not exactly what the PO specifies. There are three legitimate reasons this can happen, and one illegitimate reason. The Coordinator must determine which is the case.

9.4.1 Legitimate: Approved Substitute

The PO may have a list of pre-approved substitute SKUs. Open `open_pos.xlsx` and check the `Approved_Substitutes` column for the relevant PO line. If the SKU shipped appears in the approved substitute list, the substitution is legitimate.

1. Document the substitution in the receiving log Notes column: Approved substitute: PO line specified [Original SKU], received [Substitute SKU] per `Approved_Substitutes` list in `open_pos.xlsx`.
2. Use the substitute SKU in the SKU column of the receiving log row.
3. Continue processing under the rules for the substitute SKU. Note that **safety-critical classification follows the SKU actually received, not the SKU originally ordered**. If the original SKU was standard but the substitute is in a safety-critical part family, the receipt is processed as safety-critical.

9.4.2 Legitimate: Engineering Revision Update

The PO may specify SKU AX-04827-B2 (revision B2), but the supplier ships AX-04827-B3 (revision B3). This is a revision update. Revisions are **not** automatically interchangeable.

1. Open `open_pos.xlsx` and check the `Approved_Revisions` column for the PO line. This column lists all engineering revisions currently approved for use against this PO.
2. If the received revision appears in the approved list, the substitution is legitimate. Document in the receiving log Notes column: Revision update: PO specified [Original Revision], received [New Revision], approved per `Approved_Revisions` list. Use the received SKU in the receiving log.
3. If the received revision does **not** appear in the approved list, the substitution is **not** legitimate even if the part number base is identical. Quarantine the affected line(s) and direct-message Joon-ho Park and Theo Brandt: Unapproved revision received – PO #[Number] line [N] specified [Original SKU], received [New SKU]. Quarantining pending review. Process under Section 12 (documentation track) if safety-critical, or Section 10 (variance track) if standard.

9.4.3 Legitimate: Pre-Authorized Customer Substitution

In rare cases, a customer may have authorized a specific substitution for a specific PO via a customer notification. These are recorded in `open_pos.xlsx` in the `Customer_Substitutions` column with the format `[Original SKU] → [Substitute SKU] (auth: [Customer Reference])`. If the received SKU matches the authorized substitute, treat as legitimate per 9.4.1.

9.4.4 Illegitimate: Unauthorized Substitution

If the received SKU does not match the PO and is not on any approved substitute list, approved revision list, or customer substitution list, the substitution is **unauthorized**. This is a supplier nonconformance regardless of whether the substituted part is otherwise acceptable.

1. **Do not authorize putaway** for the affected line.
2. Quarantine the affected material per Section 13.3.
3. Direct-message Joon-ho Park: Unauthorized substitution – PO #[Number] line [N] specified [Original SKU], received [SKU shipped]. Quarantining. Please advise on disposition.
4. Open an NCR per Section 14, severity Major (or Critical if safety-critical).
5. Document the substitution in the receiving log: Unauthorized substitution: ordered [Original SKU], received [Shipped SKU]. Quarantined pending Procurement disposition. NCR [Number].
6. Continue processing the rest of the shipment normally — only the substituted lines are quarantined.

9.5 Multi-Line POs and Partial Fulfillment

A single PO may contain many line items, and a single shipment may fulfill some but not all of them. This is **partial fulfillment** and is normal in receiving operations.

When matching a multi-line PO:

1. List every line on the PO from `open_pos.xlsx`.
2. For each line, determine whether it appears on the current shipment's packing slip.
3. Lines that appear on the packing slip are processed in this receipt.
4. Lines that do **not** appear on the packing slip are **not** marked as short-shipped at this time. Partial fulfillment is the norm — the supplier may be planning a follow-up shipment. Leave those lines in `open_pos.xlsx` with their existing status.
5. Record only the lines actually shipped (per the packing slip) in `receiving_log.xlsx`.
6. In the Notes column of the first row of this receipt, indicate: Partial PO fulfillment: this shipment covers PO lines [list], remaining open lines: [list].

Important exception — Required Delivery Date passed: If a PO line that is **not** on the current packing slip has a `Required_Delivery_Date` in `open_pos.xlsx` that has already passed, that line is overdue. The Coordinator must:

1. List all overdue lines for this PO.
2. Direct-message Aditi Krishnamurthy (Production Planning) and Joon-ho Park: Overdue PO lines – PO #[Number], [Supplier_Name]. Following lines past

Required_Delivery_Date and not in current shipment: [list with dates].
Current shipment receiving normally.

3. Continue processing the current receipt without delay. The overdue-line escalation runs in parallel.

9.6 PO Match Complete — Transition to Disposition

When the PO match is complete, the Coordinator has:

- A receiving_log.xlsx row for each line being received in this shipment
- The SKU, Qty_Ordered, Qty_Claimed_On_Slip, and Safety_Critical fields populated
- Any substitution or revision documentation noted
- Any unauthorized substitutions quarantined

The Coordinator now waits for the Dock Crew to complete unloading and report physical findings: actual count, condition, and any visible damage. This report comes via Slack post in #receiving-dock from Curtis Yablonski (Dock Lead) in the format:

UNLOAD COMPLETE: REC-[ID], [Supplier_Name], PO #[Number]. Total pallets: [N]. Count match: [Y/N – see notes]. Condition: [Clean / Notes attached]. Photos: [Y/N].

If the Dock Lead's report indicates "Count match: N" or "Notes attached", the Coordinator opens the photos folder and any marked-up packing slip PDF before proceeding to Sections 10–12.

If the Dock Lead's report indicates a clean unload with count match and no condition notes, the Coordinator still proceeds through Sections 10, 11, and 12 in full — **the precedence rule (Section 7.5) requires all three disposition axes to be checked on every receipt, even when no issues are reported.** The check may be brief, but it is mandatory. # 10. Quantity Disposition — Variance Bands

This section defines how the Coordinator dispositions a shipment based on the **quantity** received versus the quantity ordered. Quantity disposition is one of three independent disposition axes (along with Section 11 condition and Section 12 documentation). Per the precedence rule in Section 7.5, the Coordinator must process this section in full for every receipt, even when no quantity issue has been flagged by the Dock Crew.

Timing: Quantity disposition must be completed within **60 minutes** of dock check-in for standard parts and **90 minutes** for safety-critical parts.

10. Quality Disposition / Variance Bands

10.1 Inputs to Quantity Disposition

Before beginning, the Coordinator must have:

1. The receiving log row(s) for this receipt, with Qty_Ordered and Qty_Claimed_On_Slip populated from Section 9.

2. The actual physical count for each line, reported by the Dock Crew via the unload-complete Slack post (Section 9.6) or by direct report from Curtis Yablonski.
3. The safety-critical classification for each line (per Section 7).

If the physical count has not yet been reported, the Coordinator waits. **Do not estimate counts. Do not accept verbal counts that are not also posted in #receiving-dock.** If Curtis reports a count to the Coordinator in person, the Coordinator asks Curtis to also post it in Slack before recording it in the receiving log.

The actual count is recorded in Qty_Received for each line.

10.2 The Quantity Variance Calculation

For each line, the Coordinator calculates the **quantity variance** as follows:

Variance = Qty_Received – Qty_Ordered

Variance Percentage = (Variance ÷ Qty_Ordered) × 100

A negative variance is a **short ship**. A positive variance is an **over ship**. A zero variance is an **exact match**.

Short ships and over ships are **not symmetric**. Over ships are subject to different rules because excess material occupies inventory space, may not be billable, and may indicate a supplier control problem. The Coordinator must process each line independently — a single receipt may have some short lines and some over lines.

10.3 The Auto-Accept Threshold

A quantity variance is considered an **exact match** if **both** of the following are true:

- The absolute variance is **1 unit or less**, OR
- The absolute variance percentage is **0.5% or less**

This rule accounts for normal counting tolerance and supplier packaging variation. If either condition is met, the line is treated as exact match. The “1 unit or less” rule prevents a one-piece miscount on a small order (e.g., a 10-piece order with 9 received) from triggering disposition for a trivial difference; the “0.5% or less” rule prevents a small percentage on a large order (e.g., a 1,000-piece order with 4 missing) from triggering escalation when the actual gap is operationally meaningless.

Worked example: Auto-accept by unit count. Order: 12 units. Received: 11 units. Variance: –1 unit. Variance percentage: –8.3%. The unit-count rule (1 unit or less) is met. This is an **exact match**. No further action needed beyond standard logging.

Worked example: Auto-accept by percentage. Order: 2,000 units. Received: 1,994 units. Variance: –6 units. Variance percentage: –0.3%. The percentage rule (0.5% or less) is met. This is an **exact match**. No further action needed.

Worked example: Not auto-accept. Order: 50 units. Received: 47 units. Variance: –3 units. Variance percentage: –6.0%. Neither rule is met (variance is 3 units, more than 1; percentage is 6%, more than 0.5%). Process under the short ship bands below.

10.4 Short Ship Bands

When a line has a quantity variance below the auto-accept threshold and is short (negative variance), the Coordinator categorizes it into one of three bands and takes the corresponding action.

Band	Variance Percentage Range	Standard Parts Action	Safety-Critical Parts Action
Band 1: Minor Short	More than 0.5% short, up to and including 5.0% short	Accept the received quantity. Log the variance. No NCR. No supplier notification. The PO line is closed at the received quantity unless the supplier separately ships the balance within 5 business days.	Accept the received quantity. Log the variance. NCR required (severity Major per safety-critical floor — Section 14.3.3). Notify Quality (Theo number verification still required per Section 12.
Band 2: Material Short	More than 5.0% short, up to and including 15.0% short	Accept the received quantity. NCR required (severity Minor). Notify Production Planning (Aditi Krishnamurthy) by Slack post in #planning-meridian for line-down risk assessment.	Accept the received quantity. NCR required (severity Major). Notify Quality and Production Planning. Quarantine until Quality confirms the partial receipt is acceptable for the safety-critical traceability chain. NCR required (severity Critical). Quarantine the entire
Band 3: Critical Short	More than 15.0% short	NCR required (severity Major). Quarantine the entire line pending Procurement and Production Planning review. Direct- message Aditi Krishnamurthy and Joon-ho Park. Escalate to Receiving Supervisor.	line. Notify Quality, Procurement, Production Planning, and Receiving Supervisor simultaneously. Escalate to Plant Logistics Manager (Elizabeth Velasquez) per Section 16.

10.4.1 The Line-Down Risk Check

For Band 2 and Band 3 short ships on **any** part — standard or safety-critical — the Coordinator must perform a line-down risk check. This determines whether the shortage will halt production.

1. Open inventory_master.xlsx and look up the current on-hand quantity for the SKU at Meridian.
2. Direct-message Aditi Krishnamurthy: Line-down risk check – PO #[Number] line [N], SKU [SKU], short by [N] units (Band [N]). On-hand: [N] units. Please advise consumption rate and risk.
3. Aditi will respond with the daily consumption rate and an assessment. **Do not proceed with the disposition until Aditi has responded** — her assessment determines whether escalation is needed.

4. If Aditi confirms line-down risk within 48 hours, **escalate immediately to Elizabeth Velasquez** regardless of the variance band, and post in #escalations-meridian:

LINE-DOWN RISK: REC-[ID], PO #[Number], SKU [SKU], short [N] units, on-hand [N], consumption rate [N]/day, risk window: [N] hours. Please advise.

5. Document Aditi's response and the resulting action in the receiving log Notes column.
 - Action: NCR Major. Quarantine 128 received units pending Quality review. Notify Theo Brandt and Aditi Krishnamurthy. Perform line-down risk check.
 - Receiving log Notes: Band 2 material short, -11.1%, safety-critical, quarantined per Section 10.4. NCR [Number] issued. Line-down check requested.

10.5 Over Ship Bands

Over ships are processed under separate bands. **Over ships are not the mirror image of short ships.** Excess material creates inventory and accounting problems even when it is otherwise acceptable, and the Coordinator must never treat an over ship as “extra free material.”

Band	Variance Percentage Range	Action (All Parts)
Over Band A: Trivial Over	More than 0.5% over, up to and including 2.0% over	Accept the received quantity at the PO unit price. Log the variance. No NCR. Note in receiving log. The supplier will be invoiced at the received quantity.
Over Band B: Material Over	More than 2.0% over, up to and including 10.0% over	Do not unload the excess. Accept only the PO quantity. Direct the Dock Crew to set aside the excess units in the staging area. Direct-message Joon-ho Park: Material over ship – PO #[Number] line [N], ordered [N], shipped [N], excess [N] units staged. Please advise: accept and bill, return to supplier, or refuse? Wait for written guidance before processing the excess.
Over Band C: Significant Over	More than 10.0% over	Quarantine the entire line. Direct-message Joon-ho Park and Darnell Hooks. The Coordinator does not have authority to accept significant over ships under any circumstances.

10.5.1 Why Over Ships Are Treated This Way

Over ships may indicate one of several issues at the supplier: a control failure (the supplier doesn't know what they shipped), a deliberate “padding” practice that should be addressed commercially, an attempt to ship slow-moving inventory disguised as a routine fulfillment, or a billing dispute waiting to happen. Over Band B and Over Band C always require Procurement (Joon-ho Park) involvement because the disposition is a commercial decision, not an operational one. The Coordinator's job is to preserve options by not unloading or accepting the excess — once excess material is in inventory, returning it is significantly harder.

- Action: Accept 100 units (the PO quantity). Direct Dock Crew to stage the 8 excess bearings separately. Notify Joon-ho Park. Wait for written guidance on the excess.
- Receiving log Notes: Over Band B material, +8.0%, 100 units accepted, 8 excess units staged pending Procurement disposition per Section 10.5.
- The 8 excess units are also subject to safety-critical paperwork rules (Section 12) — even staged excess on a safety-critical part requires the COC and MTR to cover the units in question.

10.6 Combined Lines: Multi-Line Receipts with Mixed Variance

A multi-line receipt may have some lines exact, some short, and some over. Each line is processed independently. The receiving log will contain one row per line, each with its own variance, band, and action.

The overall receipt status is determined by the **most severe** action across all lines, per the precedence rule in Section 7.5. For example, a five-line receipt with three lines auto-accept, one line Band 1 minor short, and one line Band 3 critical short is dispositioned as Band 3 — the entire receipt is escalated even though most lines are clean.

Quarantine applies only to the **lines** that triggered it, not the entire receipt, unless the precedence rule specifies otherwise (a safety-critical paperwork failure quarantines the entire receipt — see Section 12). Standard-part quantity issues quarantine only the affected lines.

10.7 Recording Quantity Disposition in the Receiving Log

For each line, the Coordinator updates the following columns in `receiving_log.xlsx`:

<u>Column</u>	<u>Value</u>
Qty_Received	Actual physical count
Variance_Units	Qty_Received – Qty_Ordered (signed)
Variance_Pct	Calculated percentage, signed, one decimal place
Variance_Band	Exact, Band 1, Band 2, Band 3, Over A, Over B, or Over C
Quantity_Action	One of: Accepted, Accepted with NCR, Quarantined, Excess Staged, Refused
NCR_Number	The NCR number if one was issued, or blank
Notes	Free-text reference to section, worked-example reasoning, and any cross-references

The Coordinator does **not** yet update the Disposition column at this point — that column reflects the final disposition after Sections 10, 11, and 12 have all been processed. The intermediate Quantity_Action column captures only the quantity-axis result.

11. Physical Condition Disposition — Damage Tiers

This section defines how the Coordinator disposes a shipment based on the **physical condition** of the material received. Like Section 10, this is one of three independent disposition axes and must be processed for every receipt regardless of whether the Dock Crew has flagged any condition issues.

Timing: Condition disposition must be completed within the same windows as quantity disposition (60 minutes standard, 90 minutes safety-critical), and is typically completed in parallel with Section 10.

11.1 How Condition Findings Reach the Coordinator

The Coordinator does not physically inspect material. Condition findings are reported to the Coordinator by:

1. **The Dock Lead (Curtis Yablonski)** via the unload-complete Slack post (Section 9.6) and any follow-up posts in #receiving-dock.
2. **Photos** taken by the Dock Crew, emailed to receiving.meridian@gearsystems.com and saved to the photos folder for the receipt (path in Section 5.4).
3. **Marked-up packing slip PDFs** where the Dock Crew has annotated specific lines or pallets with condition observations.
4. **The Quality Inspector (Reggie Lemoine)** for safety-critical parts, via Slack post in #quality-alerts and email-attached inspection reports.

The Coordinator must read all of these inputs before assigning a damage tier. **Do not skip the photos.** Photos often reveal damage that the Dock Crew describes vaguely in text. If photos are referenced but not yet available, the Coordinator waits for them or follows up with Curtis directly.

If the Dock Crew has reported “no damage observed” and no photos are attached, the Coordinator records the condition disposition as Tier 0 (clean) but **must still perform Section 12 (documentation)** because clean condition does not exempt the receipt from paperwork verification.

11.2 The Damage Tiers

Damage is categorized into five tiers, from Tier 0 (no damage) through Tier 4 (concealed damage). Each tier has specific identifying characteristics and a defined action.

<u>Tier</u>	<u>Name</u>	<u>Identifying Characteristics</u>
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Tier	Clean	No damage observed. Packaging intact, parts visually undamaged. No 0 action beyond standard logging.
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Tier	Cosmetic	Damage limited to outer packaging (cardboard, shrink wrap, banding) 1 with no visible damage to the parts themselves. Examples: torn shrink wrap, dented cardboard, scuffed pallet. Parts can be unwrapped and used as-is.
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<u>Tier</u>	<u>Name</u>	<u>Identifying Characteristics</u>
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Tier 2	Functional	Damage to the parts themselves that may affect form, fit, or function but does not render the parts catastrophically unusable. Examples: scratches on machined surfaces, minor dings on castings, evidence of moisture exposure, partial corrosion. Requires Quality assessment before use.
Tier 3	Catastrophic	Damage so severe that the parts are visibly unusable or unsafe. Examples: crushed pallets, parts broken into pieces, severe corrosion, contamination by spilled chemicals, fire damage. The shipment cannot be used.
Tier 4	Concealed	Damage discovered after the receipt was completed and material was released to inventory. Found during putaway, during line replenishment, or at first use. Special timeline rules apply (see Section 11.7).

11.3 Tier 0 — Clean Receipt

No action beyond logging. In receiving_log.xlsx, set Condition_Tier to Tier 0 and Condition_Action to Accepted. Proceed to Section 12.

11.4 Tier 1 — Cosmetic Damage

Tier 1 damage does not affect the parts themselves and does not require quarantine. However, it must still be logged and (in some cases) reported to the supplier so that packaging quality can be tracked over time.

11.4.1 Tier 1 Procedure

1. Confirm with the Dock Crew that the parts inside the damaged packaging are visually undamaged. Request photos of both the packaging damage and the unwrapped parts. **If the Dock Crew cannot confirm the parts are undamaged without further inspection, the damage is Tier 2, not Tier 1.**
2. Set Condition_Tier to Tier 1 and Condition_Action to Accepted with notation.
3. In the receiving log Notes column: Tier 1 cosmetic damage on [N] of [Total] pallets/units. Parts visually intact per Dock Crew confirmation [Slack timestamp]. Photos: [filename(s)].
4. **No NCR is issued for isolated Tier 1 damage.** However, if the same supplier has had Tier 1 damage on **3 or more receipts in the past 90 days**, an NCR is issued for the packaging quality pattern (severity Minor, type “Packaging”). The Coordinator checks this by reviewing the supplier’s recent rows in receiving_log.xlsx.
5. Proceed to Section 12.

11.4.2 Tier 1 Trigger Exception

If Tier 1 damage affects more than **25% of pallets** in a single receipt, escalate to Tier 2 disposition regardless of whether the parts themselves are undamaged. Widespread packaging failure indicates a transit or handling problem that warrants Quality involvement.

11.5 Tier 2 — Functional Damage

Tier 2 damage affects the parts themselves but not catastrophically. The disposition depends on whether the parts are safety-critical.

11.5.1 Tier 2 — Standard Parts

1. **Quarantine the affected line(s)** per Section 13.3. Material is moved to the Quarantine Cage (Q-HOLD).
2. Direct-message Darnell Hooks: Tier 2 damage on standard parts – REC-[ID], PO #[Number] line [N], SKU [SKU]. [Brief description]. Quarantining pending review.
3. **NCR required (severity Minor)**. See Section 14.
4. Set Condition_Tier to Tier 2 and Condition_Action to Quarantined.
5. In the receiving log Notes column: Tier 2 functional damage, [brief description], quarantined per Section 11.5. NCR [Number] issued. Photos: [filename(s)].
6. Proceed to Section 12.

11.5.2 Tier 2 — Safety-Critical Parts

1. **Quarantine the affected line(s) immediately.**
2. Direct-message Theo Brandt **and** Reggie Lemoine: Tier 2 damage on safety-critical parts – REC-[ID], PO #[Number] line [N], SKU [SKU]. [Brief description]. Quarantined. Request inspection.
3. Reggie will inspect the parts and post findings in #quality-alerts. **The Coordinator does not authorize any action on the parts until Reggie's inspection report and Theo's disposition decision are in writing.**
4. **NCR required (severity Major).**
5. Set Condition_Tier to Tier 2 and Condition_Action to Quarantined - awaiting Quality.
6. In the receiving log Notes column: Tier 2 functional damage on safety-critical parts, quarantined per Section 11.5.2. Quality inspection requested. NCR [Number] issued. Photos: [filename(s)].
7. Proceed to Section 12.

11.6 Tier 3 — Catastrophic Damage

Tier 3 damage means the material cannot be used. The disposition is reject — but **how** the material is rejected depends on whether the damage is visible before unloading or only after.

11.6.1 Tier 3 Visible Before Unloading — Refuse at Dock

If the Dock Crew observes Tier 3 damage on the truck before significant unloading has occurred (e.g., the entire load is visibly crushed, soaked, or burned):

1. **Stop unloading immediately.** If any pallets have been removed, the Dock Crew leaves them in the immediate dock area and does not move them further.
2. Take extensive photos. Photo every angle of the damage, including the truck interior, the damaged pallets, and any fluids or debris.

3. Direct-message Darnell Hooks AND Elizabeth Velasquez simultaneously: Tier 3 catastrophic damage at dock – REC-[ID], [Supplier_Name], [brief description]. Refusing pending approval. Photos in [folder].
4. Wait for written approval to refuse from either Darnell or Elizabeth.
5. Once approved, follow the refusal procedure in Section 8.7. Use Template 5 (Tier 3 Refusal) for supplier notification.
6. **File a carrier claim** if the damage occurred in transit (see Section 11.6.3).
7. Set Condition_Tier to Tier 3 and Condition_Action to Refused.

11.6.2 Tier 3 Discovered During Unloading

If Tier 3 damage is discovered after some material is already off the truck and inside the building:

1. **Stop unloading.** The Dock Crew leaves the remainder of the load on the truck.
2. Photo everything: what's been unloaded, what's still on the truck, the damage itself.
3. Direct-message Darnell Hooks and Elizabeth Velasquez. Describe what has been unloaded and what remains on the truck.
4. **Quarantine** the unloaded material in Q-HOLD immediately.
5. Elizabeth will decide whether the remainder of the load is refused (truck departs with remaining material) or accepted to quarantine for inspection (truck is fully unloaded into Q-HOLD).
6. Follow Elizabeth's instruction. Document her decision in the receiving log Notes.
7. **NCR required (severity Critical** for safety-critical, **Major** for standard).
8. **File a carrier claim** if damage is in-transit (Section 11.6.3).
9. Set Condition_Tier to Tier 3 and Condition_Action to either Refused or Quarantined per Section 11.6.2, as applicable.

11.6.3 Carrier Claim Filing

When Tier 3 damage is determined to have occurred in transit (rather than at the supplier), the Coordinator files a **carrier claim** against the freight carrier within **5 business days** of receipt.

Carrier claims are filed by:

1. Drafting a carrier claim email using Template 6 (Carrier Claim Initiation), addressed to the carrier's claims department (look up the address in `carrier_contacts.xlsx`).
2. Attaching: photos of the damage, the BOL (with the "REFUSED" or "DAMAGED" annotation if applicable), the packing slip, and an itemized list of damaged units with unit values from the PO.
3. Copying Joon-ho Park and Darnell Hooks on the email.
4. Logging the claim in `carrier_claims_log.xlsx` with the claim number assigned by the carrier in their acknowledgement (typically received within 1–3 business days).

Carrier claims and supplier NCRs are not interchangeable. A carrier claim addresses transit damage where the supplier shipped the material in good condition; an NCR addresses supplier nonconformance. A single Tier 3 event may require **both** if there is ambiguity about where the

damage originated, in which case the Coordinator files both and lets the investigation determine the correct allocation.

11.7 Tier 4 — Concealed Damage Discovered After Receipt

Tier 4 damage is discovered after the receipt has been completed and material has been released to inventory or to the production line. The damage was not visible at receipt but is identified during putaway, line staging, or first use. **The window for Tier 4 claims is 10 business days from the receipt date.** After this window, the damage is considered the plant's responsibility and no supplier claim is possible.

11.7.1 Tier 4 Procedure

1. The discovery is typically reported to the Coordinator by the Inventory Control team (Maribel Ortiz) or by a production supervisor via Slack post in #receiving-dock or by email.
2. The Coordinator opens receiving_log.xlsx and locates the original receipt by Receipt_ID, PO number, or SKU. Confirm the receipt date.
3. Calculate the number of business days between the receipt date and today. **If more than 10 business days have passed, the claim window is closed.** Reply to the reporter: "This receipt is outside the 10-business-day concealed damage window. The damage cannot be claimed against the supplier. Please route to [Maribel Ortiz / appropriate owner] for internal disposition."
4. If within the window, request photos and a detailed description of the damage from the reporter. Use Template 31.
5. Once received, create a **new** row in receiving_log.xlsx with a Receipt_ID in the format REC-[Original ID]-T4 (the suffix -T4 indicates a Tier 4 amendment to an existing receipt). Populate the row with the original PO number, SKU, and the affected quantity.
6. Set Condition_Tier to Tier 4, Condition_Action to Quarantined - concealed damage, and Notes to: Concealed damage discovered [Date] by [Reporter], [N] business days post-receipt. Original Receipt_ID [Original]. [Brief description]. Photos: [filenames].
7. **Quarantine the affected material** if it is still in inventory. If it has already been consumed in production, follow Section 11.7.2.
8. **NCR required.** Severity is Major for standard parts and Critical for safety-critical parts. Use Template 7 (Concealed Damage NCR).
9. Notify Theo Brandt for safety-critical parts.
10. Notify the carrier within the 5-business-day carrier claim window if applicable (note: the carrier claim window starts at receipt, not at concealed damage discovery — concealed damage discovered on day 8 leaves only 2 days to file a carrier claim, so file immediately).

11.7.2 Concealed Damage on Already-Consumed Material

If concealed damage is reported on safety-critical parts that have already been incorporated into finished assemblies, this is a **traceability event** and must be escalated immediately:

1. Direct-message Theo Brandt, Elizabeth Velasquez, AND Walter Finch simultaneously:
TRACEABILITY EVENT: Concealed damage reported on already-consumed safety-

critical material. PO #[Number], SKU [SKU], heat number(s) [if known], original Receipt_ID [ID]. Awaiting guidance.

2. Post in #escalations-meridian with the same content.
3. **Stop processing other work until you have written acknowledgement from at least one of the three.** This is one of the only times in this SOP where the Coordinator pauses other work — the traceability chain is the most consequential thing the role protects.
4. Theo Brandt will determine the scope of the traceability investigation. The Coordinator's role is to provide records, not to investigate.
5. Document the event in the receiving log per 11.7.1 and additionally tag the row with TRACEABILITY EVENT in the Notes column.

11.8 Recording Condition Disposition in the Receiving Log

For each line, the Coordinator updates:

<u>Column</u>	<u>Value</u>
Condition_Tier	Tier 0, Tier 1, Tier 2, Tier 3, or Tier 4
Condition_Action	Accepted, Accepted with notation, Quarantined, Quarantined - awaiting Quality, Refused, or Quarantined - concealed damage
Photos_Folder	The filename or folder path containing photos for this disposition
NCR_Number	The NCR number if one was issued (may be the same NCR as Section 10 if a single NCR covers both findings)
Notes	Description of damage, source of finding, cross-reference to section

The Disposition column remains unset until Section 12 has been processed.

12. Documentation Disposition — The Paperwork Gate

This section defines how the Coordinator dispositions a shipment based on the **completeness and correctness of the accompanying documentation**. This is the third and final disposition axis.

The paperwork gate is the most consequential section for safety-critical parts. **A safety-critical receipt with perfect quantity, perfect condition, and missing paperwork is quarantined. There are no exceptions to this rule.** The traceability chain requires that every safety-critical part can be linked to its source heat of steel via documentation, and there is no way to recover this link after the fact if the documentation is missing at receipt.

Timing: Documentation disposition must be completed within **90 minutes** of dock check-in for safety-critical parts. Standard parts have no separate documentation timing — the packing slip is the only required document and it has already been verified in Section 9.

12.1 Required Documents by Part Type

The following table specifies the documentation required for each part type. The Coordinator must verify the presence and validity of every required document before authorizing putaway.

Document	Standard Parts	Safety-Critical Parts
Packing Slip	Required	Required
BOL (Bill of Lading)	Required	Required
Certificate of Conformance (COC)	Not required	Required
Mill Test Report (MTR)	Not required	Required for raw forgings, castings, machined components, and fasteners (part families AX, DS, TR, BR, FS, FG); not required for BG bearings or seals if the COC explicitly covers material composition.
Heat Number Verification	Not required	Required — heat number on the part (or pallet tag) must match the heat number listed on the COC and MTR
SDS (Safety Data Sheet)	Required only if hazmat	Required only if hazmat
Customer-Specific Documentation	Per open_pos.xlsx Customer_Doc_Required column	Per open_pos.xlsx Customer_Doc_Required column

12.2 Verifying the Packing Slip

The packing slip has already been used in Section 9 for PO matching. At this stage, the Coordinator additionally verifies:

1. The packing slip is **legible** (not damaged, smudged, or torn in ways that affect readability).
2. The packing slip **identifies the supplier** by name and address matching `supplier_master.xlsx`.
3. The packing slip **identifies the PO number** matching what was found in `open_pos.xlsx`.
4. The packing slip is **signed or stamped** by the supplier (electronic packing slips that lack signatures are acceptable if they were generated by the supplier's own system, identifiable by the supplier letterhead or system-generated markings).

If the packing slip fails any of these checks, treat as missing documentation under Section 12.4.

12.3 Verifying the BOL

The BOL is the carrier's contract and proof of pickup. The Coordinator verifies:

1. The BOL identifies the supplier as the **shipper** and Gear Systems Meridian as the **consignee**.

2. The BOL lists the PO number (or, in some cases, the supplier's internal order number that cross-references to the PO).
3. The BOL is **signed by the carrier** at pickup.
4. The BOL **piece count** matches or reasonably corresponds to the packing slip piece count. Minor differences are acceptable (the BOL counts pallets while the packing slip counts units, etc.); gross mismatches are not.

If the BOL is missing, illegible, or contradicts the packing slip in a meaningful way, follow Section 12.4 (missing documentation procedure) and additionally direct-message Curtis Yablonski to confirm what physical paperwork was actually handed over by the driver — the missing document may be elsewhere.

12.4 Missing Documentation — Standard Parts

For standard parts, missing documentation is generally a minor issue that can be resolved by supplier follow-up.

12.4.1 Missing Packing Slip — Standard

1. Check whether the packing slip was emailed by the supplier in advance and is in the email inbox or \\... \packing_slips\ folder. Sometimes the physical document is missing but the electronic version exists.
2. If found, save a copy with the standard filename and proceed normally.
3. If not found, accept the receipt under the BOL piece count and immediately email the supplier requesting the packing slip. Use Template 8 (Missing Packing Slip Request).
4. Set Documentation_Status to Missing - packing slip requested.
5. **Do not delay disposition waiting for the packing slip.** Proceed with the receipt using the BOL counts. The supplier has 5 business days to provide the packing slip; if not provided, follow up via NCR.

12.4.2 Missing BOL — Standard

A truly missing BOL is unusual — the carrier does not normally release a truck without one. If the BOL is missing:

1. Direct-message Curtis Yablonski: BOL not provided for REC-[ID], [Supplier_Name]. Please confirm what driver handed over.
2. If the BOL is found (e.g., misfiled, in another folder), proceed.
3. If genuinely missing, contact the carrier directly via the email address in carrier_contacts.xlsx and request a copy. Use Template 9 (BOL Reissue Request).
4. Receipt is held in Awaiting BOL status. **Do not authorize putaway until the BOL is obtained.** Even for standard parts, the BOL is a transit-control document and is required. Set Documentation_Action to **Quarantined** (not Accepted with follow-up) — because putaway is blocked, the material is in a functional quarantine state regardless of its physical location, and the enum in Section 12.8 treats any hold-on-putaway as quarantine. Set Documentation_Status to Missing - BOL requested. Move the material to Q-HOLD or, if the volume makes that impractical, keep it in the receiving area clearly tagged as held pending BOL.

12.6 Missing Documentation — Safety-Critical Parts

For safety-critical parts, missing documentation triggers the most severe disposition path in this SOP. The Coordinator must apply the following rules without exception.

12.5.1 Missing COC — Safety-Critical

1. Check whether the COC was emailed by the supplier in advance and is in \\...\quality_docs\. Some suppliers email COCs ahead of physical shipment.
2. If found, verify it covers the PO number, the SKU, and the quantity in the current shipment.
3. If not found or does not cover the current shipment, **quarantine the entire receipt** in Q-HOLD. Do not unload further if unloading is incomplete.
4. Direct-message Theo Brandt and Joon-ho Park simultaneously: Safety-critical COC missing – REC-[ID], PO #[Number], [Supplier_Name], SKU [SKU]. Quarantining per Section 12.5.1. Awaiting COC from supplier.
5. Email the supplier per Template 10 (Missing COC — Safety-Critical Hold), copying Theo Brandt and Joon-ho Park.
6. **NCR required (severity Major minimum, Critical if part is in safety-critical part family AX/DS/BR).**
7. Set Documentation_Status to Quarantine - missing COC.
8. The supplier has **5 business days** to provide the COC. If not provided within 5 business days, the NCR is escalated to Critical and the disposition becomes Refusal (return to supplier). At that point the Coordinator must direct-message Theo Brandt for refusal authorization.
9. **Do not authorize putaway under any circumstances until a valid COC is in hand.** Verbal assurances from the supplier, photos of COCs, and “the COC is in the mail” promises are not acceptable. The Coordinator requires the actual COC document, in PDF form, in \\...\quality_docs\, before lifting the quarantine.

12.5.2 Missing MTR — Safety-Critical

The MTR is required for raw forgings, castings, machined components, and fasteners. The MTR may be a separate document from the COC, or the COC may include MTR data as an attachment.

1. Open \\...\quality_docs\ and look for MER-PO-[Number]_MTR.pdf (or check whether the COC PDF includes mill test data).
2. If the MTR is present and covers the current shipment’s heat numbers, proceed to Section 12.6 (heat number verification).
3. If the MTR is missing:
 - **Quarantine the affected lines** in Q-HOLD.
 - Direct-message Theo Brandt: Safety-critical MTR missing – REC-[ID], PO #[Number], [Supplier_Name], SKU [SKU]. Quarantining per Section 12.5.2.
 - Email the supplier per Template 11 (Missing MTR Request), copying Theo Brandt.
 - **NCR required (severity Major).**
 - Supplier response window: 5 business days.

- The disposition cannot be lifted until the MTR is received and heat numbers are verified per Section 12.6.

12.5.3 Missing Both COC and MTR — Safety-Critical

If both documents are missing on a safety-critical receipt, the issue is severe. Apply Section 12.5.1 and 12.5.2 simultaneously. The NCR is severity **Critical** in all cases. Notify Theo Brandt by direct Slack message AND post in #escalations-meridian:

SAFETY-CRITICAL DOCUMENTATION FAILURE: REC-[ID], PO #[Number], [Supplier_Name], SKU [SKU]. Both COC and MTR missing. Full quarantine in place. NCR Critical pending.

12.6 Heat Number Verification

For safety-critical parts requiring an MTR, the Coordinator must verify that the heat number(s) listed on the MTR match the heat number(s) physically marked on the parts (or on the pallet tags).

12.6.1 Procedure

1. The Dock Crew (Curtis Yablonski) records the heat numbers visible on each pallet during unloading and reports them via Slack post in #receiving-dock or via marked-up packing slip PDF.
2. The Coordinator opens the MTR PDF and reads the heat numbers listed.
3. The Coordinator compares the two lists.

The lists must match exactly. Heat numbers are alphanumeric strings (e.g., H45-2298471) and must match character-for-character. A heat number on a part that does not appear on the MTR is a mismatch, and a heat number on the MTR that does not appear on any received part is also a mismatch.

12.6.2 Heat Numbers Match If

all heat numbers match:

1. Record the heat number(s) in receiving_log.xlsx in the Heat_Numbers column for each line. Multiple heat numbers per line are allowed and are comma-separated.
2. Set Documentation_Status to Verified.
3. The COC, MTR, and heat number verification are now complete. Proceed to the disposition consolidation in Section 12.9.

12.6.3 Heat Numbers Do Not Match

If any heat number on the parts is not on the MTR, or vice versa, this is a **heat number mismatch** and is a critical event.

1. **Immediately quarantine** all affected material in Q-HOLD. Do not authorize putaway under any circumstances.
2. Direct-message **Theo Brandt** and **Elizabeth Velasquez** immediately (the heat number mismatch is a severity override per Section 16.2.1 and requires both Quality Manager and Plant Logistics Manager notification regardless of dollar value). Also notify **Reggie Lemoine** for physical inspection support. Post in **both** #quality-alerts **and** #escalations-meridian with the format:

HEAT NUMBER MISMATCH: REC-[ID], PO #[Number], SKU [SKU]. MTR heat numbers: [list]. Physical heat numbers: [list]. Quarantined. Severity override per Section 16.2.1.

3. **NCR required, severity Critical.**
4. Email the supplier per Template 12 (Heat Number Mismatch — Safety-Critical Hold).
5. Set Documentation_Status to Quarantine - heat number mismatch.
6. Theo Brandt must investigate. The Coordinator's role is to preserve evidence: do not allow any movement of the material, do not allow the supplier to retrieve it without Theo's written authorization, and do not authorize putaway under any circumstances.

A heat number mismatch is one of the few events in this SOP that may indicate a serious supplier control failure. It is treated with the same seriousness as a Tier 3 damage event.

12.7 Illegible or Damaged Paperwork

Documentation that is present but unreadable is treated as missing documentation. If a packing slip is water-damaged and the SKUs cannot be read, or a COC PDF is corrupt and cannot be opened, the Coordinator follows the missing-documentation procedure for the relevant document.

Exception: If the packing slip is partially legible and the missing portion can be reconstructed from the BOL or from the PO, the packing slip may be accepted with a note in the Notes column: Packing slip partially illegible; [missing portion] reconstructed from [BOL / PO #...]. Photo of damaged slip on file. This exception does not apply to COCs or MTRs — those documents must be fully legible and complete.

12.8 Recording Documentation Disposition in the Receiving Log

For each line, the Coordinator updates:

Column	Value
Documentation_Status	Verified, Missing - packing slip requested, Missing - BOL requested, Quarantine - missing COC, Quarantine - missing MTR, Quarantine - heat number mismatch, or Quarantine - documentation hold
Heat_Numbers	Comma-separated heat numbers verified, or blank if not safety-critical
COC_Filename	Filename of the COC PDF, or blank
MTR_Filename	Filename of the MTR PDF, or blank
Documentation_Action	Accepted, Accepted with follow-up, Quarantined, or Quarantined - safety-critical hold

12.9 Final Disposition — Consolidating the Three Axes

After Sections 10, 11, and 12 have all been processed for every line in the receipt, the Coordinator now sets the Disposition column for each row by applying the precedence rule from Section 7.5.

The Coordinator looks at the three axis-specific actions for each line:

- Quantity_Action (from Section 10)
- Condition_Action (from Section 11)
- Documentation_Action (from Section 12)

And sets Disposition to the **most severe** of the three. The severity ladder, from highest to lowest:

1. REFUSED (any axis returned Refused)
2. QUARANTINE – full receipt (any safety-critical documentation failure on any line, or Tier 3 damage discovered during unloading affecting the whole receipt)
3. QUARANTINE – line (any single-axis quarantine on this line)
4. ACCEPTED WITH NCR (any axis returned a Minor or higher NCR but no quarantine)
5. ACCEPTED WITH NOTATION (any axis returned a notation but no NCR)
6. ACCEPTED CLEAN (all three axes returned Tier 0 / Exact / Verified with no notations)

The Notes column for the row records each contributing finding with its section reference, in the format described in Section 7.5.

Special rule: If the Documentation_Status indicates a safety-critical paperwork failure (Quarantine - missing COC, Quarantine - missing MTR, Quarantine - heat number mismatch, or Quarantine - documentation hold on a safety-critical line), the disposition for **every line in the receipt** is escalated to QUARANTINE – full receipt, even lines that individually had clean quantity and condition. This is because a safety-critical paperwork failure on one line may indicate a control problem at the supplier that affects every part on the truck, and Quality requires the entire receipt to be held pending investigation.

After the Disposition column is set for every line, the Coordinator proceeds to Section 13 to update the inventory master and authorize putaway (or quarantine).

13. System Updates, Quarantine, and Putaway Authorization

This section covers what the Coordinator does once the disposition decision has been made (Sections 10–12 complete). The Coordinator now updates the inventory master file, applies any quarantine flags, and authorizes the dock crew to physically move material from the receiving area to its final location — either a normal warehouse location or the quarantine cage.

13.1 Updating receiving_log.xlsx — Final Pass

By the time the Coordinator reaches Section 13, the receiving log row(s) for this receipt should be substantially complete. Section 13.1 is a final-pass verification before the row is “posted” — i.e., considered an official record.

Before posting, the Coordinator confirms that every row for this receipt has all of the following columns populated:

<u>Column</u>	<u>Required Content</u>
---------------	-------------------------

Receipt_ID	REC-YYYYMMDD-NNN
PO_Number	MER-PO-NNNNNN
PO_Line	001, 002, etc.
SKU	The actual SKU received (after any approved substitution)
Safety_Critical	Y or N
Supplier_ID	SUP-NNNN
Carrier_Name	The freight carrier
Arrival_Timestamp	MM/DD/YYYY HH:MM CST
Disposition_Timestamp	MM/DD/YYYY HH:MM CST — the moment the Coordinator made the final disposition decision
Dock_Door	Dock 1–Dock 4
Qty_Ordered	From PO
Qty_Claimed_On_Slip	From packing slip
Qty_Received	Physical count
Variance_Units	Signed
Variance_Pct	Signed, one decimal
Variance_Band	Per Section 10
Quantity_Action	Per Section 10
Condition_Tier	Tier 0–Tier 4
Condition_Action	Per Section 11
Photos_Folder	Path or N/A
Documentation_Status	Per Section 12
Documentation_Action	Per Section 12
Heat_Numbers	Comma-separated, or blank if not safety-critical
COC_Filename	Filename or blank
MTR_Filename	Filename or blank
Disposition	Per Section 12.9 — the final consolidated disposition
NCR_Number	NCR number(s) if any, else blank
Coordinator_Initials	The Coordinator's initials
Notes	Free-text per the various sections
Status	Posted once this final-pass check is complete

If any required column is blank, the Coordinator returns to the relevant section and completes it before posting. **Do not post a row with missing required fields.** Posting a row marks it as official and it becomes immediately visible to other functions (Inventory Control, Quality, Procurement, Production Planning) as the system of record. Errors in posted rows require the formal correction procedure in Section 13.5 — they cannot be silently edited.

Once all rows for the receipt have every required column populated, the Coordinator changes Status from In Process to Posted for each row. The receipt is now official.

13.2 Updating inventory_master.xlsx

After posting the receiving log, the Coordinator updates the inventory master to reflect the new on-hand quantity for each line that was accepted (in any form — clean, with notation, or with NCR). Lines that were quarantined or refused are handled in Sections 13.3 and 13.4 instead.

Procedure for each accepted line:

1. Open `inventory_master.xlsx`.
2. Search for the SKU in the SKU column. The SKU may exist in multiple rows if it is stored in multiple warehouse locations.
3. Locate the row matching the assigned warehouse location. The assigned location is determined as follows, in order of precedence:
 - **a.** If the packing slip lists a pre-assigned location (sometimes printed as Bin: or Loc:), use that.
 - **b.** If the SKU already exists in `inventory_master.xlsx` at exactly one non-Q-HOLD location, use that location (this is the “home location” for the SKU and is the common case).
 - **c.** If the SKU already exists at multiple non-Q-HOLD locations, use the location with the highest On_Hand_Qty — this is the primary home location. Secondary locations are reserved for overflow and are only used when Maribel has specifically directed so.
 - **d.** If the SKU is new or has no existing on-hand anywhere, apply the **standard putaway zone rule** in the table below, which maps the SKU prefix to a warehouse zone. Within the zone, use the default receiving location [Zone] -RCV-01 as a temporary holding slot, and note in the receiving log Notes column: Putaway to zone default; Maribel to reassign to permanent location. Maribel will reassign within 1 business day.
 - **e.** If none of the above apply (unknown SKU prefix, or genuine ambiguity), direct-message Maribel Ortiz for assignment and hold putaway authorization until she responds.

Standard Putaway Zone Rule — SKU Prefix to Zone

SKU		Default Prefix	
Part Family	Warehouse Zone	Receiving Slot	
AX-	Axle components (safety-critical)	Zone A — Safety-Critical Racking	A-RCV-01
DS-	Driveshaft components (safety-critical)	Zone A — Safety-Critical Racking	A-RCV-01
TR-	Transmission gear components (safety-critical)	Zone A — Safety-Critical Racking	A-RCV-01
BR-	Brake system components (safety-critical)	Zone A — Safety-Critical Racking	A-RCV-01
SKU		Default Prefix	
Part Family	Warehouse Zone	Receiving Slot	

FS-	Fastener, safety-critical	Zone A — Safety-Critical Racking	A-RCV-01
FG-	Forged gear blanks (safety-critical)	Zone A — Safety-Critical Racking	A-RCV-01
BG-	Bearings, general	Zone B — Small Parts	B-RCV-01
FN-	Fasteners, standard (non-safety-critical)	Zone B — Small Parts	B-RCV-01
SL-	Seals and gaskets	Zone B — Small Parts	B-RCV-01
HO-	Hoses and tubing	Zone C — Bulk Storage	C-RCV-01
HW-	Hardware, miscellaneous	Zone B — Small Parts	B-RCV-01
LB-	Lubricants (may be hazmat — see Section 17.1)	Zone D — Hazmat Storage	D-RCV-01
PT-	Paints (hazmat)	Zone D — Hazmat Storage	D-RCV-01
AD-	Adhesives (may be hazmat)	Zone D — Hazmat Storage	D-RCV-01
PK-	Packaging materials	Zone E — Consumables	E-RCV-01
TL-	Tooling and fixtures	Zone F — Tooling Cage	F-RCV-01
MR-	Maintenance and repair items	Zone E — Consumables	E-RCV-01

For SKU prefixes not listed above, the Coordinator direct-messages Maribel Ortiz for a zone assignment. Unknown prefixes are genuinely rare — the table covers approximately 95% of Meridian’s inbound SKU population. 4. Increase the `On_Hand_Qty` column by `Qty_Received` for the matching row. 5. Update `Last_Receipt_Date` to today’s date and `Last_Receipt_ID` to the current `Receipt_ID`. 6. For safety-critical parts, also populate the `Heat_Numbers_On_Hand` column by appending the heat numbers from the current receipt to the existing list. **Heat numbers are append-only — never overwrite or remove a heat number from this column without explicit written authorization from Theo Brandt.** 7. Save the file.

If the SKU does not exist in `inventory_master.xlsx` at all (i.e., this is the first time Meridian has received this SKU), do **not** create a new row yourself. Use Template 18 (New SKU Setup Request) to direct-message Maribel Ortiz and wait for confirmation that the row has been created before continuing. Note this in the receiving log Notes column.

13.3 Quarantine — Applying the Hold

For any line whose `Disposition` is a quarantine (full receipt or line), the Coordinator does not increase on-hand inventory at the normal location. Instead:

1. Open `inventory_master.xlsx`.
2. Locate the row for the SKU at the **Quarantine Cage** location, which is Q-HOLD. If no row exists for the SKU at Q-HOLD, create a new row with `Location: Q-HOLD`, `SKU: [SKU]`, `On_Hand_Qty: 0`, and `Status: QUARANTINE`. (This is the only case in which the

Coordinator may create a new row in `inventory_master.xlsx` without Maribel's approval, because Q-HOLD is a controlled location owned by Receiving rather than by Inventory Control.)

3. Increase `On_Hand_Qty` at the Q-HOLD row by the quarantined quantity.
4. Set Status for the Q-HOLD row to QUARANTINE (this should already be the value but verify).
5. Populate `Quarantine_Reason` with a short reference to the section that triggered the quarantine, e.g., Sec 12.5.1 missing COC or Sec 11.5.2 Tier 2 damage SC.
6. Populate `Quarantine_Receipt_ID` with the current `Receipt_ID`.
7. Populate `Quarantine_Date` with today's date.
8. For safety-critical parts in quarantine, also populate `Heat_Numbers_Quarantined` with the heat numbers from the current receipt — this is critical because if the quarantine is later released, the heat numbers must transfer cleanly to the normal location's `Heat_Numbers_On_Hand`.
9. Save the file.

The Coordinator must **also** schedule a re-inspection follow-up within **2 hours** of the quarantine being applied. See Section 14.6 for the calendar event procedure.

Quarantine is not a “later” task. The quarantine flag must be in `inventory_master.xlsx` immediately upon the disposition decision. There is no batching of quarantine entries, no end-of-shift cleanup pass, no “I’ll do it after lunch.” A delay between the disposition decision and the quarantine flag creates a window in which other functions could believe the material is available. Quarantine is **immediate**, every time.

13.4 Authorizing Putaway

Once the inventory master is updated for accepted lines and the quarantine flag is applied for quarantined lines, the Coordinator authorizes the Dock Crew to physically move the material. This is done via Slack post in #receiving-dock using Template 24 (Putaway Authorization Post).

The Slack post must list **every** line in the receipt with its destination. Even lines accepted to normal locations are listed explicitly. The Dock Crew uses this post as their putaway work order.

The post must be made within **15 minutes** of the final disposition decision. If the Coordinator is in the middle of another task and cannot post within 15 minutes, post a holding message: PUTAWAY PENDING: REC-[ID], full authorization to follow within [N] minutes. This prevents the Dock Crew from moving material before the Coordinator is ready while still acknowledging that material is sitting in the receiving area.

After posting, update `receiving_log.xlsx` for each line: set the column `Putaway_Authorized_Timestamp` to the current timestamp.

The Coordinator's responsibility for the receipt ends here, **except** for any open NCR follow-up (Section 14), any quarantine follow-up (Section 14.6), or any error discovered later (Sections 13.5–13.7).

13.5 Correcting a Receiving Log Error — Same Shift

This and the next two subsections cover what the Coordinator does when an error in a receiving log entry is discovered after the row has been posted. Errors in receiving records are sensitive — the receiving log is the system of record, audits depend on it, and downstream functions act on its contents. Errors must be corrected formally, never silently.

The procedure for correcting an error depends on **when** the error is discovered.

13.5.1 Same-Shift Error Discovery

If the Coordinator (or any other person) discovers an error in a receiving log row **before the end of the shift in which the row was posted**, the correction is the simplest case:

1. Do **not** delete or overwrite the original row. Leave it exactly as posted.
2. Add a **new row** to `receiving_log.xlsx` immediately below the original. This new row is the correction row.
3. Populate the correction row with:
 - Receipt_ID: the same Receipt_ID as the original, with the suffix -C1 (e.g., if the original was REC-20260215-007, the correction is REC-20260215-007-C1). If multiple corrections to the same row are needed, increment to -C2, -C3, etc.
 - PO_Number, PO_Line, SKU, Supplier_ID, etc.: copy from the original row.
 - Status: CORRECTION
 - Notes: a clear description of what was wrong and what is being corrected, in the format: Correction to [Original Receipt_ID]. Original showed [field] = [original value]. Correct value: [new value]. Reason: [explanation]. Discovered by [name] at [timestamp]. Approved by [Coordinator initials].
4. In the relevant column(s), put the **corrected** value(s) in the correction row. Other columns can be left blank or marked (see original) to indicate that only specific fields were corrected.
5. Update `inventory_master.xlsx` to reflect the corrected values. For example, if the original row had Qty_Received: 200 but the actual count was 198, decrement On_Hand_Qty by 2 in the inventory master to bring the on-hand back to the true amount.
6. Notify the Dock Lead and any other downstream owner who acted on the original posted row. Slack post in #receiving-dock:

RECEIVING LOG CORRECTION: [Original Receipt_ID] – [field] corrected from [old] to [new]. Inventory master adjusted. Please verify any putaway action against the corrected values.

7. The Coordinator does **not** need supervisor approval for same-shift corrections. The discovery and correction is the Coordinator's own responsibility and is part of normal accuracy management. However, if more than **3 same-shift corrections occur in a single shift**, the Coordinator must notify Darnell Hooks at end of shift — repeated same-shift errors may indicate a process issue that needs attention.

13.6 Correcting a Receiving Log Error — Cross-Shift Discovery

If the error is discovered **after the end of the shift in which the row was posted** but within the same calendar week, the correction requires Inventory Control involvement.

13.6.1 Cross-Shift Procedure

1. Do not edit the original row. Do not add a correction row yourself.
2. Direct-message Maribel Ortiz (Inventory Control Lead) with the format: Cross-shift receiving correction request – [Original Receipt_ID]. Original posted [date], [field] = [original value]. Correct value should be [new value]. Reason: [explanation].
3. Wait for Maribel's written response. Maribel will either:
 - Authorize the correction, in which case she will provide a correction Receipt_ID format that you should use, OR
 - Open her own investigation if the discrepancy could affect downstream activities (putaway already executed, material already consumed, etc.)
4. If Maribel authorizes a correction, follow the Section 13.5.1 procedure to add the correction row, but include in the Notes column the reference: Cross-shift correction authorized by Maribel Ortiz [date/time per Slack].
5. If Maribel opens an investigation, the correction is now her responsibility. The Coordinator's role is to provide records and answer questions, not to make further changes. Document the handoff in the receiving log under a placeholder row with Status: Correction Pending – see Maribel.
6. Cross-shift errors are tracked in the quarterly audit (Section 19).

13.8 Recovering From a Missed Quarantine Flag

This is the most serious of the error recovery procedures. The Coordinator authorized putaway for material that **should have been quarantined** but was not. The error is discovered after the Dock Crew has moved the material into a normal warehouse location.

This is one of the few situations in this SOP where the Coordinator must take immediate emergency action and stop other work until it is resolved.

13.7.1 Standard Parts — Material Still in Inventory

If the missed-quarantine material is **standard parts** and is **still in inventory** (has not been pulled to the line):

1. **Immediately** open inventory_master.xlsx. Decrease the On_Hand_Qty at the normal warehouse location by the affected quantity, and increase the On_Hand_Qty at Q-HOLD by the same quantity (per the quarantine procedure in 13.3). This is a paper move only — the physical material has not yet been moved.
2. **Immediately** post in #receiving-dock:

QUARANTINE RECOVERY – STANDARD: REC-[ID], SKU [SKU], qty [N], at location [L]. Should have been quarantined per [Section]. Inventory master corrected. Dock Crew: please physically move to Q-HOLD immediately.

3. Direct-message Maribel Ortiz: Missed quarantine recovery – REC-[ID], standard part. Inventory master corrected, physical move requested. Reason for original miss: [brief].
4. Add a correction row to receiving_log.xlsx per Section 13.5.1, with Notes: Quarantine flag missed at original disposition. Recovery executed [date/time]. Material physically moved to Q-HOLD per Dock Crew confirmation.
5. Apply the quarantine reason (the section that should have triggered the original quarantine) and proceed with whatever NCR or supplier follow-up was originally required.
6. Notify Darnell Hooks at end of shift via direct message: End-of-shift report: 1 missed quarantine recovered today, REC-[ID], [SKU]. Standard part, recovered before consumption. Notes in receiving log.

13.7.2 Standard Parts — Material Already Consumed

If the missed-quarantine material is **standard parts** and has **already been consumed** in production (or shipped, used, or otherwise irreversibly committed):

1. The recovery is no longer about preventing use — the use has already happened. The recovery is about documentation and downstream impact.
2. Direct-message Darnell Hooks AND Maribel Ortiz: Missed quarantine – STANDARD, already consumed. REC-[ID], SKU [SKU], qty [N]. Material consumed in production before recovery could be executed. Original disposition reason: [section]. Awaiting guidance.
3. Add a correction row to receiving_log.xlsx documenting the event. Notes: Quarantine flag missed at original disposition. Material consumed before recovery. Disposition reason: [section]. Escalated to Darnell Hooks and Maribel Ortiz [date/time].
4. Open an NCR (Section 14) for the underlying issue if one was not already open. The NCR is now retrospective — the supplier issue still exists even though the material has been used. Severity is the same as it would have been at original disposition.
5. Wait for guidance from Darnell. Possible outcomes: no further action required (low-impact issue), production review (whether the consumed material caused any quality issues), or further escalation to Elizabeth Velasquez.

13.7.3 Safety-Critical Parts — Any Status

If the missed-quarantine material is **safety-critical**, the situation is severe regardless of whether the material is still in inventory or has been consumed.

1. **Stop all other work.** This is a traceability event.
2. Direct-message Theo Brandt, Elizabeth Velasquez, AND Walter Finch simultaneously, AND post in #escalations-meridian:

TRACEABILITY EVENT – MISSED QUARANTINE: REC-[ID], PO #[Number], SKU [SKU], qty [N], heat numbers [list]. Should have been quarantined per [Section] but was authorized for putaway. Current location: [normal location / consumed in production / unknown – investigating]. Awaiting guidance.

3. **Do not attempt to silently move the material to Q-HOLD.** A safety-critical missed quarantine is now a Quality and Plant Manager investigation, not an operations recovery. Theo and Elizabeth will direct the next steps.
4. While awaiting guidance, gather supporting documentation: the original receiving log row, the COC and MTR PDFs, the heat number list, photos if any, the Slack post that authorized putaway, and the timestamp of the disposition decision. Have all of this available in case Theo requests it.
5. Add a correction row to receiving_log.xlsx after Theo and Elizabeth's investigation begins, with Status: TRACEABILITY EVENT - investigation open and a reference to the Slack escalation post.
6. The Coordinator does **not** independently issue an NCR for this situation — Theo will determine the NCR severity and may also determine that customer notification is required. The Coordinator's role is to support the investigation by providing records and answering questions.
7. Resume other work only when Theo or Elizabeth explicitly tells the Coordinator to do so. Until then, the Coordinator's exclusive task is supporting the investigation.

Missed quarantines on safety-critical parts are reportable in the quarterly audit (Section 19) and may trigger additional Coordinator training. They are not by themselves disciplinary events — they are systemic concerns and the response is corrective rather than punitive — but the response is mandatory and immediate.

13.8 Detecting Duplicate Entries

Duplicate entries occur when a receipt is logged twice in receiving_log.xlsx, typically because two Coordinators on the same shift each independently start logging the same arrival, or because a Coordinator interrupted by another task forgets they already created a row.

Duplicate detection is handled by the **Duplicate_Check** column in receiving_log.xlsx, which is a formula column that flags any row sharing a PO_Number and Arrival_Timestamp (within 15 minutes) with another row in the file. Flagged rows display POSSIBLE DUPLICATE in the column.

Procedure when a duplicate is detected:

1. Open both rows. Compare the Receipt_IDs and the contents.
2. Identify which row is the **earlier** entry by Receipt_ID sequence number. The earlier row is the canonical row.
3. The later row is the duplicate.
4. **Do not delete the duplicate row.** Mark its Status as VOID - duplicate of [Canonical Receipt_ID] and its Notes as Voided as duplicate of [Canonical Receipt_ID] discovered [date/time]. Voided by [Coordinator initials].
5. If the duplicate row has any data not present in the canonical row (e.g., a different Coordinator logged a different physical count), do **not** merge automatically. Direct-message Darnell Hooks: Duplicate row with conflicting data – REC-[Canonical] vs REC-[Duplicate]. Conflict: [field]. Please advise.
6. If the inventory master was updated based on the duplicate row's values, correct it by reversing the duplicate's effect (decrease On_Hand_Qty by the duplicate's Qty_Received).
7. Notify the Dock Crew if any putaway authorization was issued for the duplicate.

Duplicate entries are tracked in the quarterly audit. Repeated duplicates from the same Coordinator may indicate a process issue.

14. Nonconformance Reports (NCRs)

A Nonconformance Report (NCR) is the formal written record of a supplier nonconformance. Once issued, an NCR is a tracked obligation that the supplier must respond to within a defined window. NCRs are the primary mechanism by which Gear Systems holds suppliers accountable, builds the historical record that drives supplier scoring, and (in severe cases) initiates the path to supplier suspension.

14.1 When an NCR Is Required

The following table consolidates NCR triggers from Sections 10, 11, and 12. The Coordinator should already have determined whether an NCR is required during the disposition process; this table is a single-page reference to confirm.

Trigger	Standard Parts	Safety-Critical Parts
Quantity short, Band 1 (>0.5%–5.0%)	No NCR	NCR Major
Quantity short, Band 2 (>5.0%–15.0%)	NCR Minor	NCR Major
Quantity short, Band 3 (>15.0%)		
Quantity over, Over Band A (>0.5%–2.0%)	M	issin
Quantity over, Over Band B (>2.0%–10.0%)	i	g
	s	COC
Quantity over, Over Band C (>10.0%)	s	Miss
Tier 1 cosmetic damage, isolated		
Tier 1 cosmetic damage, pattern (3+ in 90 days)	i	ing
Tier 1 cosmetic damage, >25% of pallets in single receipt	n	MTR
Tier 2 functional damage Tier	g	
3 catastrophic damage Tier 4	B	
concealed damage Missing		
packing slip	O	
	L	
	M	

NCR Major No NCR	NCR
No NCR (commercial decision)	Critical No NCR
NCR Minor (logged for supplier control review)	No NCR
No NCR	(commercial decision)
NCR Minor (Packaging)	NCR Major (logged for supplier control review)
NCR Minor	No NCR
NCR Minor NCR Major NCR Major	NCR Major (Packaging)
No NCR (resolved by request)	NCR Major
No NCR (resolved by carrier)	
N/A N/A	NCR Major NCR Critical NCR Critical No NCR (resolved by request) No NCR (resolved by carrier) NCR Major (Critical for AX/DS/BR) NCR Major

Trigger	Standard Parts	Safety-Critical Parts
Missing both COC and MTR	N/A	NCR Critical
Heat number mismatch	N/A	NCR Critical
Unauthorized substitution	NCR Major	NCR Critical
Unapproved revision	NCR Minor	NCR Major
Shipment from Suspended supplier	NCR Major + see Section 15	NCR Critical + see Section 15
Shipment against cancelled PO	NCR Major	NCR Major
Tier 4 traceability event (concealed damage on consumed safety-critical material)	N/A	NCR Critical (Theo Brandt issues, not Coordinator)
Missed quarantine on safety-critical material	N/A	Determined by Theo Brandt

If a single line triggers multiple NCRs (e.g., short ship AND damage), the Coordinator opens a **single NCR** that documents both findings, set to the **highest** severity indicated by any trigger.

When in doubt about whether an NCR is required, **open one**. An NCR can be closed later if it turns out to be unwarranted; a missing NCR cannot be retroactively created without significant explanation. The cost of an unnecessary NCR is small (a brief supplier interaction); the cost of a missing NCR is the loss of the historical record.

14.2 NCR Numbering and *ncr_log.xlsx*

NCRs are numbered sequentially in the format NCR-MER-YYYY-NNNN where YYYY is the four-digit year and NNNN is the sequential number for the year, starting at 0001 on January 1.

The next available NCR number is determined by opening *ncr_log.xlsx* and looking at the highest existing NCR number for the current year. If the highest is NCR-MER-2026-0247, the next NCR is NCR-MER-2026-0248.

To create the NCR entry:

1. Open *ncr_log.xlsx*.
2. Scroll or filter to the bottom of the current year's entries.
3. Add a new row with the next sequential NCR number.
4. Populate:
 - NCR_Number: e.g., NCR-MER-2026-0248
 - Issue_Date: today
 - Supplier_ID: from the receipt
 - Supplier_Name: from *supplier_master.xlsx*
 - PO_Number: from the receipt
 - Receipt_ID: from the receipt
 - SKU(s): comma-separated if multiple
 - Quantity_Affected: total units affected
 - NCR_Type: see Section 14.3
 - Severity: Minor, Major, or Critical
 - Dollar_Value: calculated in Section 14.3.4
 - Status: Open
 - Issued_By: Coordinator initials
 - Supplier_Response_Due: see Section 14.5
 - Description: a brief one-sentence summary; the full detail is in the NCR letter
5. Save the file. The NCR number is now reserved.
6. Return to *receiving_log.xlsx* and populate the NCR_Number column for the affected line(s) with the new NCR number.

The NCR must be created in *ncr_log.xlsx* within **2 hours** of the disposition decision. Drafting and sending the formal NCR letter (Section 14.4) has a longer 24-hour window, but creating the log entry — reserving the number and recording the basic facts — is immediate.

14.3 NCR Types and Severity

14.3.1 NCR Types

Every NCR has a type that categorizes the nature of the nonconformance. The type is recorded in the NCR_Type column of ncr_log.xlsx. Valid types are:

Type Code	Description
QTY	Quantity nonconformance (short ship, over ship, line missing)
DMG	Physical damage (Tier 1 pattern, Tier 2, Tier 3, Tier 4)
DOC	Documentation nonconformance (missing COC, missing MTR, illegible paperwork)
HEAT	Heat number mismatch or untraceable material
SUB	Unauthorized substitution or unapproved revision
PKG	Packaging quality (Tier 1 pattern)
SUP	Supplier control issue (shipment from Suspended supplier, shipment against cancelled PO, repeated unscheduled arrivals)
MIX	Mixed nonconformance (multiple types triggered by one event; the NCR letter details all of them)

14.3.2 Severity Definitions

Severity	Definition
Minor	A nonconformance that does not prevent use of the material and does not pose a quality, safety, or regulatory risk. Documented for the historical record and supplier scoring.
Major	A nonconformance that requires action — quarantine, supplier corrective action, or material return. May affect production but does not pose a safety risk.
<u>Severity Definition</u>	
Critical	A nonconformance affecting safety-critical parts, traceability, or regulatory compliance. Quality and Procurement must be immediately involved. May trigger customer notification.

14.3.3 Severity Floor for Safety-Critical Parts

Any NCR involving a safety-critical part has a severity floor of Major. A safety-critical part can never be the subject of a Minor NCR. The Section 14.1 table already reflects this floor in its Safety-Critical column — the Coordinator does not need to apply an override for standard cases. The floor rule is stated here explicitly because it also applies to combinations not listed in the 14.1 table (e.g., a supplier-status override in Section 15.2.2, or an edge case not anticipated in the table) and because the Probation supplier severity floor in Section 15.2.2 stacks on top of it.

14.3.4 Dollar Value Calculation

Every NCR includes a dollar value, calculated as the total commercial impact of the nonconformance. This value drives the escalation routing in Section 16.

For each NCR, calculate the dollar value as follows:

1. Open `open_pos.xlsx` and find the `Unit_Price` for the affected SKU on the affected PO line.
2. Calculate **Affected_Quantity × Unit_Price**.
3. Round to the nearest whole dollar.
4. Record in `ncr_log.xlsx` `Dollar_Value` column as \$NN,NNN.NN.

For NCRs covering multiple lines, sum the dollar values of all affected lines.

For damage NCRs where only **part** of a line is damaged, use only the damaged quantity, not the entire line quantity.

For **over ship NCRs**, use only the **excess quantity** (the amount received above the PO quantity), not the entire received quantity. The PO quantity is what was ordered and has a legitimate commercial basis; only the excess is the subject of the NCR.

For heat number mismatches and traceability events, use the **entire line quantity** even if only some units are individually affected — because the entire line is now untraceable.

For **short ship NCRs**, use the **missing quantity** (`Qty_Ordered` – `Qty_Received`), because that is the gap that was not delivered and is the subject of the NCR.

Worked example: A Band 2 short ship of 16 units of AX-04827-B2 at unit price \$425.00. Dollar value = $16 \times \$425.00 = \$6,800.00$.

Worked example: A Tier 2 damage event affecting 12 of 144 units of BG-33044-A1 at unit price \$185.50. Dollar value = $12 \times \$185.50 = \$2,226.00$.

Worked example: A heat number mismatch on a 200-unit line of FG-91144-A1 at unit price \$78.00. Dollar value = $200 \times \$78.00 = \$15,600.00$ (full line, not just visibly affected units).

The dollar value is then used per Section 16 to determine escalation routing.

14.4 Drafting and Sending the NCR Letter

The NCR letter is the formal written communication to the supplier. It is drafted in Word using one of the NCR letter templates and saved as a PDF before sending.

14.4.1 Selecting the Template

Severity Template

Minor Template 13 (NCR Letter — Minor) Major

Template 14 (NCR Letter — Major) Critical

Template 15 (NCR Letter — Critical)

The templates have different tone and require different fields. Critical NCRs additionally require Theo Brandt's review before sending — see Section 14.4.3.

14.4.2 Drafting Procedure

1. Open the appropriate template from templates\NCR\.
2. Save a working copy as NCRs\[NCR_Number]_draft.docx.
3. Fill in every bracketed placeholder. **Do not send a letter containing unfilled placeholders.** This is one of the most embarrassing supplier-facing errors a Coordinator can make.
4. Required fields in every NCR letter:
 - NCR number
 - Issue date
 - Supplier name and address (from supplier_master.xlsx)
 - PO number and PO date
 - SKU(s) affected
 - Quantity affected
 - Dollar value
 - Detailed description of the nonconformance
 - Photos or documentation references (filenames)
 - Required corrective action and response date
 - Coordinator name and contact information
5. Once the letter is complete, save as PDF: [NCR_Number].pdf in NCRs\. Delete the _draft.docx working copy.
6. The NCR letter PDF is now the official record of the NCR communication.

14.4.3 Critical NCR Review

For NCRs at **Critical** severity, Theo Brandt must review the letter before it is sent to the supplier.

1. After drafting and saving the PDF, direct-message Theo Brandt: Critical NCR draft for review – NCR-MER-2026-[Number], [Supplier], [Brief]. PDF at [path]. Please review before send.
2. Wait for Theo's written approval (or requested edits) before sending.
3. If Theo requests edits, make the edits, re-save the PDF (overwriting the previous version), and notify Theo.

4. **Do not send a Critical NCR without written Theo approval.** This is one of the only Coordinator actions that requires explicit Quality sign-off.

For Minor and Major NCRs, no review is required and the Coordinator may send directly.

14.4.4 Sending the NCR

1. Compose an email to the supplier's quality contact (from `supplier_master.xlsx` `Quality_Contact_Email` column). If the supplier has no listed quality contact, use the commercial contact and CC the quality contact field as a placeholder for follow-up.
2. **CC** the following:
 - `joonho.park@gearsystems.com` (always)
 - `theo.brandt@gearsystems.com` (always)
 - `darnell.hooks@gearsystems.com` (always)
 - `Elizabeth.velasquez@gearsystems.com` (for Major and Critical NCRs)
 - `walter.finch@gearsystems.com` (for Critical NCRs only)
3. Subject line format: `NCR-MER-2026-[Number] | [Severity] | [Supplier] | [PO #] | Response Required by [Date]`
4. Body: use Template 13/14/15 depending on severity, with all placeholders filled per Section 14.4.2.
5. Attach the NCR letter PDF.
6. Attach any supporting evidence: photos, marked-up packing slip, COC/MTR if relevant.
7. Send.
8. Save a copy of the sent email in the NCRs email folder.
9. Update `ncr_log.xlsx`: set `Letter_Sent_Date` to today and `Status` to `Sent - Awaiting Response`.

The NCR letter must be sent within **24 hours** of the disposition decision. The 24-hour window includes drafting time, Critical review time, and sending. If the Coordinator cannot meet this deadline (e.g., a Critical NCR is created at end of shift on Friday and Theo is unavailable until Monday), post a **TIMING BREACH** notice per Section 6.4 and notify Darnell.

14.5 Supplier Response Windows

Once an NCR has been sent, the supplier has a defined window to respond. The response window is set when the NCR is created and recorded in `ncr_log.xlsx` `Supplier_Response_Due` column.

NCR Severity Standard Response Window

Minor	15 business days
Major	10 business days
Critical	3 business days

Business days are Monday through Friday excluding plant-observed holidays (Section 2.2).

Worked example: A Major NCR is sent on Monday, February 16, 2026. 10 business days later is Monday, March 2, 2026. `Supplier_Response_Due` is set to `03/02/2026`.

14.5.1 Supplier Response Tracking

The Coordinator does not actively poll for responses, but at the start of each shift, the Coordinator opens `ncr_log.xlsx`, filters to NCRs in Sent - Awaiting Response status, and reviews any whose `Supplier_Response_Due` date is today or in the past.

For overdue NCRs:

1. **Minor overdue 1–5 business days:** Email the supplier a reminder using Template 16 (NCR Reminder — Minor). Update `ncr_log.xlsx`Notes column with the reminder date.
2. **Minor overdue more than 5 business days:** Convert the NCR to escalated status. Direct-message Joon-ho Park: Overdue Minor NCR – [NCR Number], [Supplier], overdue [N] business days. No response. Escalating per Section 14.5.1. Update `ncr_log.xlsx`Status to Overdue - Escalated.
3. **Major overdue any amount:** Immediately escalate. Direct-message Joon-ho Park and Theo Brandt: Overdue Major NCR – [NCR Number], [Supplier], overdue [N] business days. No response. Escalating per Section 14.5.1. Update `ncr_log.xlsx`Status to Overdue - Escalated.
4. **Critical overdue any amount:** Immediately escalate to Walter Finch as well as Joon-ho and Theo. Post in #escalations-meridian: OVERDUE CRITICAL NCR: [NCR Number], [Supplier], [N] business days overdue. No supplier response. Please advise. Update `ncr_log.xlsx`Status to Overdue - Escalated.

14.6 Re-Inspection Calendar Events for Quarantined Material

Whenever the Coordinator applies a quarantine in Section 13.3, they must also schedule a **re-inspection follow-up** as a Google Calendar event. The follow-up exists to ensure that quarantined material does not sit indefinitely.

14.6.1 Calendar Event Creation

1. Open Google Calendar — Receiving (the shared receiving calendar).
2. Create a new event with the title format: RE-INSPECTION: REC-[ID] [SKU] [QUARANTINE REASON] (e.g., RE-INSPECTION: REC-20260215-007 AX-04827-B2 Missing COC)
3. Set the event date based on the quarantine reason:

<u>Quarantine Reason</u>	<u>Re-Inspection Date</u>
Missing documentation (COC, MTR, packing slip)	5 business days from quarantine
Heat number mismatch	3 business days from quarantine
Tier 2 damage	5 business days from quarantine
Tier 3 damage (held in quarantine pending Quality)	3 business days from quarantine
Quantity Band 2/3 (safety-critical)	5 business days from quarantine
Unauthorized substitution	5 business days from quarantine
Suspended supplier hold	1 business day from quarantine

4. Set the event time to **09:00 CST** by default. The event is a reminder, not a scheduled meeting — the Coordinator handles the actual re-inspection during the shift on which it falls.

5. In the event description, include:
 - Receipt ID
 - PO number
 - SKU(s)
 - Quantity quarantined
 - Quarantine reason and section reference
 - NCR number (if any)
 - Path to relevant photos and documentation
6. Add as event guests: the Coordinator’s own email, Darnell Hooks, and Theo Brandt (for safety-critical quarantines).
7. Save.

Re-inspection events must be created within **2 hours** of the quarantine being applied.

14.6.2 Handling the Re-Inspection Follow-Up

When the calendar event date arrives, the Coordinator (or the Coordinator on shift that day) opens the event and the corresponding receiving log row. The Coordinator then determines whether the quarantine is ready to be released, extended, or escalated.

<u>Status</u>	<u>Action</u>
Quarantine reason resolved (e.g., COC received, supplier corrective action complete)	Follow Section 14.7 to release the quarantine
Quarantine reason not yet resolved but supplier is actively engaged	Extend the calendar event by 5 additional business days. Document in receiving log Notes: Re-inspection extended [date] pending [reason]. New date: [date].
Quarantine reason not resolved and supplier is non-responsive	Escalate per Section 14.5.1 (if NCR is overdue) or direct-message Joon-ho Park for action
Quarantine has been in place for 30+ days	Escalate to Elizabeth Velasquez regardless of supplier engagement. Long-quarantined material is reviewed monthly.

14.7 Releasing a Quarantine

When the quarantine reason has been resolved (documentation received, Quality has cleared the parts, supplier has issued a corrective action that is acceptable), the Coordinator releases the quarantine.

14.7.1 Authority to Release

The Coordinator may release a quarantine **only** with the appropriate authorization:

<u>Quarantine Type</u>	<u>Release Authorization Required</u>
Standard parts, Tier 1 packaging pattern	Coordinator alone

Quarantine Type	Release Authorization Required
Standard parts, Tier 2 damage	Darnell Hooks (Receiving Supervisor) — Slack confirmation
Standard parts, quantity Band 2/3	Joon-ho Park (Procurement) — email confirmation
Standard parts, unauthorized substitution	Joon-ho Park — email confirmation
Safety-critical, any quarantine reason	Theo Brandt (Quality) — email confirmation, not Slack
Heat number mismatch	Theo Brandt — email + signed reinstatement form (Template 17)

The authorization must be in writing and saved as evidence. Verbal releases are never acceptable, even from authorized personnel.

14.7.2 Release Procedure

1. Confirm the written authorization is in hand. Save the email or Slack post to quarantine_releases\[Receipt_ID]_release.pdf (printing the email to PDF if needed).
2. Open inventory_master.xlsx.
3. Decrease On_Hand_Qty at Q-HOLD by the released quantity.
4. Increase On_Hand_Qty at the normal warehouse location by the released quantity. (If the assigned location is not yet known, direct-message Maribel Ortiz for putaway location assignment.)
5. For safety-critical parts, transfer the heat numbers from Heat_Numbers_Quarantined (decrement) to Heat_Numbers_On_Hand (append) on the corresponding rows.
6. Add a correction-style row to receiving_log.xlsx with Receipt_ID[Original Receipt_ID]-R1 (R1 for “release 1”; increment if multiple releases occur), Status: QUARANTINE RELEASED, and Notes describing the release authorization, the release date, and the resolved quarantine reason.
7. Update ncr_log.xlsx if the NCR was the underlying cause: set Status to Resolved if the supplier provided corrective action, or Closed - No Issue if the original concern was resolved without supplier action.
8. Delete the re-inspection calendar event (or mark it as completed by adding [COMPLETED] to the event title).
9. Authorize physical putaway via Slack post in #receiving-dock:

QUARANTINE RELEASED: [Original Receipt_ID], SKU [SKU], qty [N] released from Q-HOLD to [Location]. Authorization: [Name], [Date]. Dock Crew: please move when convenient.

14.8 NCR Closure

An NCR is **closed** when:

- The supplier has provided a corrective action that has been accepted by Quality (for Major and Critical NCRs) or Procurement (for Minor NCRs), AND
- Any quarantined material has been released or returned, AND
- The dollar value (if any) has been recovered or written off

The Coordinator does not unilaterally close NCRs. Closure is performed by:

- **Joon-ho Park** for Minor and Major NCRs of types QTY, SUB, PKG, SUP
- **Theo Brandt** for any NCR involving safety-critical parts, any Critical NCR, and any NCR of type DMG, DOC, HEAT

The Coordinator's role in NCR closure is limited to:

1. Receiving the supplier's response email (if directed to the Coordinator) and forwarding to the appropriate closer.
2. Updating `ncr_log.xlsx` Status to Supplier Response Received when a response arrives.
3. Awaiting closure decision and updating `ncr_log.xlsx` Status to Resolved or Closed when notified by the closer.

The Coordinator never marks an NCR as Resolved or Closed based on their own judgment. Doing so undermines the supplier scoring history and the audit chain.

15. Supplier Status and Repeat-Offender Handling

Every supplier on Gear Systems' Approved Supplier List has a current **status** that determines how shipments from that supplier are handled at receipt. The Coordinator must verify supplier status on every receipt before authorizing any disposition. **A receipt processed without checking supplier status is incomplete, regardless of how clean the receipt otherwise appears.**

Supplier status is owned by Procurement (Joon-ho Park) and is recorded in `supplier_master.xlsx`. The Coordinator never edits supplier status — only Joon-ho can change a status. The Coordinator's role is to read the current status, apply the rules associated with it, and notify Procurement when a supplier's behavior suggests a status change is warranted.

15.1 The Four Supplier Statuses

- **Approved** — Standard active supplier in good standing. The default status for the vast majority of suppliers (~85% at any time). *Treatment: standard receiving procedures per Sections 8–14.*
- **Probation** — A supplier whose recent performance has triggered concern. May be on probation due to repeat NCRs, quality issues, on-time delivery problems, or commercial disputes. *Treatment: enhanced inspection — every receipt requires Quality (Reggie Lemoine) sample inspection regardless of part type. NCR severity floor is elevated by one tier (Minor → Major, Major → Critical).*
- **New** — A recently onboarded supplier who has been receiving for fewer than 90 days OR has completed fewer than 5 receipts at Meridian. *Treatment: 100% inspection by Quality for safety-critical parts (every unit, not a sample). For standard parts, sample inspection is required on every receipt. New suppliers cannot ship safety-critical parts at all without explicit pre-approval from Theo Brandt — see Section 15.2.3.*

- **Suspended** — A supplier whose receiving privileges have been revoked. Suspended suppliers are ineligible to ship to Gear Systems until reinstated by Procurement.
Treatment: refuse all shipments at the dock. Do not unload.

The Coordinator looks up supplier status by opening `supplier_master.xlsx`, finding the row matching the `Supplier_ID` from the BOL or packing slip, and reading the `Status` column. The lookup is performed at PO matching time (Section 9.1) — early enough to refuse a Suspended shipment before unloading.

15.2 Status-Specific Procedures

15.2.1 Approved Suppliers — Standard Path

For Approved suppliers, the Coordinator follows Sections 8–14 without modification. Note the supplier status in the receiving log `Notes` column at receipt: `Supplier status: Approved as of [date per supplier_master.xlsx Last_Status_Change column]`.

This single-line notation creates an audit trail showing that status was checked, even when nothing was wrong. **Skipping the notation because the status was Approved is a process violation** — the audit needs to see that the check was performed, not just that the result was favorable.

15.2.2 Probation Suppliers — Enhanced Inspection

When the Coordinator opens `supplier_master.xlsx` and finds the supplier in Probation status:

1. Note the probation start date (`Status_Change_Date`) and reason (`Status_Reason`) in `supplier_master.xlsx`. The reason is important context — if the probation is for delivery delays, focus on dock appointment compliance; if for quality issues, focus on Quality involvement.
2. Direct-message Reggie Lemoine: Probation supplier receipt – REC-[ID], [Supplier_Name], [PO #]. Sample inspection required per Section 15.2.2. Probation reason: [Reason]. Please advise availability.
3. Wait for Reggie’s confirmation that he is available to inspect. **Do not proceed with disposition until Reggie has confirmed.** If Reggie is unavailable for the entire shift, escalate to Theo Brandt for backup arrangement.
4. Once Reggie has performed the inspection, his findings are reported via Slack post in #quality-alerts and via marked-up packing slip PDF.
5. Apply Reggie’s findings as additional inputs to Section 11 (condition disposition). If Reggie identifies a Tier 2 issue, treat as Tier 2 even if the Dock Crew did not flag it.
6. **NCR severity floor is elevated:** any nonconformance that would normally be Minor becomes Major; any that would normally be Major becomes Critical. This applies to all NCR types — quantity, condition, documentation, substitution. Document in the NCR letter: Severity elevated per Section 15.2.2 (supplier on probation since [date]).
7. Note the probation status in the receiving log `Notes` column for every line: `Supplier status: Probation since [date], reason: [reason]. Reggie Lemoine inspection: [findings summary]`.

15.2.3 New Suppliers — 100% Inspection (Safety-Critical) and Pre-Approval Requirement

The New status applies to suppliers in their first 90 days of activity at Meridian or with fewer than 5 completed receipts, whichever is later. The 90-day count and receipt count are visible in `supplier_master.xlsx` columns `First_Receipt_Date` and `Receipt_Count_Meridian`.

A New supplier may not ship safety-critical parts unless Theo Brandt has explicitly pre-approved that specific PO. The pre-approval is recorded in `open_pos.xlsx` in the `New_Supplier_SC_Approval` column. If the column contains the value Y, the receipt may proceed (with 100% inspection). If the column is blank or N, the receipt **must be refused at the dock**, regardless of how clean the shipment appears.

Procedure for a New supplier shipment:

1. Verify status in `supplier_master.xlsx`.
2. Verify the `Receipt_Count` and `First_Receipt_Date` — confirm the supplier is genuinely New (sometimes the status flag has not yet been updated by Procurement).
3. **For safety-critical PO lines:** Check `open_pos.xlsx` for `New_Supplier_SC_Approval`. If Y, proceed to step 4. If blank or N:
 - **Refuse the shipment** following Section 8.7. Reference: “Section 15.2.3, safety-critical receipt from New supplier without pre-approval.”
 - Direct-message Theo Brandt and Joon-ho Park: New supplier safety-critical refusal — REC-[ID], [Supplier_Name], [PO #], no pre-approval on file. Refusing per Section 15.2.3.
 - Do not proceed further with this receipt.
4. **For all New supplier receipts proceeding to disposition:**
 - Direct-message Reggie Lemoine: New supplier receipt — REC-[ID], [Supplier_Name], [PO #]. ****100% inspection**** required for safety-critical lines per Section 15.2.3. Sample inspection required for standard lines. Please advise availability.
 - For 100% inspection of safety-critical, the Coordinator allocates extra time — the disposition may take significantly longer than the standard 90-minute window. Post a **TIMING BREACH** notice if the 90-minute window will be exceeded, with the reason New supplier 100% inspection per Section 15.2.3.
5. NCR severity floor for New suppliers is the same as for Probation suppliers (one tier elevated).
6. Note the New status in the receiving log Notes column: Supplier status: New ([N] of 5 minimum receipts complete; [N] days since `First_Receipt_Date`). 100% inspection by Reggie Lemoine: [findings summary].

15.2.4 Suspended Suppliers — Refuse at Dock

A Suspended supplier is not authorized to ship to Gear Systems. Any shipment that arrives from a Suspended supplier is refused at the dock immediately, without exception.

Procedure:

1. Upon discovering Suspended status during the supplier lookup at PO matching:

- **Stop the receipt immediately.** Do not authorize unloading. If unloading has already begun, halt it.
 - Post in #receiving-dock instructing the Dock Crew to return the driver to the truck and inform them that the shipment is being refused.
2. Direct-message Joon-ho Park, Darnell Hooks, AND Elizabeth Velasquez simultaneously: SUSPENDED SUPPLIER ARRIVAL: REC-[ID], [Supplier_Name] (status: Suspended since [date]), arrived with PO #[Number]. Refusing per Section 15.2.4. Please confirm.
 3. Post in #escalations-meridian:
SUSPENDED SUPPLIER ARRIVAL: [Supplier_Name], [PO #], [Carrier], dock [N]. Refusing per Section 15.2.4. Awaiting Procurement guidance on supplier communication.
 4. Follow the dock refusal procedure in Section 8.7 with reason: Suspended supplier per supplier_master.xlsx as of [date].
 5. Do **not** send the standard refusal letter (Template 3) to the supplier yourself. The Suspended status means that all supplier communication is being handled by Procurement, and a Coordinator-issued refusal letter could conflict with ongoing commercial discussions. Joon-ho will handle supplier notification.
 6. **NCR required, severity Major.** Type: SUP. The NCR documents that the supplier shipped despite being Suspended — this is itself a control failure regardless of the physical condition of the goods.
 7. Update receiving_log.xlsx with the disposition REFUSED – SUSPENDED SUPPLIER and a note referencing the Slack escalation.

Edge case — Suspended status applied while a shipment is already in transit: Occasionally a supplier is suspended after they have already shipped a load that is now en route to Meridian. The shipment arrives at the dock and the Coordinator discovers the new Suspended status. This is still treated as a refusal — the supplier’s status at the time of receipt governs, not at the time of shipment. However, the Coordinator should note in the Slack escalation: Shipment may have departed supplier prior to suspension date. Confirming suspension was [date] and shipment date appears to be [date from BOL]. This context helps Joon-ho handle the commercial conversation.

15.3 Repeat-Offender Tracking

A supplier becomes a **repeat offender** when they accumulate multiple NCRs within a defined window. The thresholds are different for safety-critical and standard parts.

Trigger	Window	Action
2 NCRs of any severity involving standard parts	Rolling 90 days	Notify Joon-ho Park for review (no automatic status change)
3 NCRs of any severity involving standard parts	Rolling 90 days	Recommend Probation status to Joon-ho Park
1 NCR of any severity involving safety-critical parts	Rolling 90 days	Notify Joon-ho Park AND Theo Brandt for review (lower threshold)
Trigger	Window	Action

2 NCRs of any severity involving safety-critical parts	Rolling 90 days	Recommend Probation status; notify Theo Brandt and Joon-ho Park
	N/A — single event	Recommend immediate Probation review; notify Theo Brandt, Joon-ho Park, and Elizabeth Velasquez
	Rolling 180 days	Recommend Suspension review; escalate to Walter Finch
Any 1 Critical NCR 2		

Critical NCRs

The Coordinator checks for repeat-offender status when issuing a new NCR. The check is straightforward:

1. Open `ncr_log.xlsx`.
2. Filter to the supplier in question.
3. Count NCRs whose `Issue_Date` is within the relevant window (90 days for most thresholds, 180 days for the Suspension recommendation).
4. Count separately by safety-critical vs. standard, and by severity.
5. If a threshold is met, issue the corresponding notification by the format below.

15.3.1 Repeat-Offender Notification Format

When a threshold is met, the Coordinator must post in `#escalations-meridian` with the format:

```
REPEAT OFFENDER FLAG: [Supplier_Name], [Supplier_ID]. Threshold met: [N] [severity]
NCRs involving [SC/standard] parts in past [N] days. NCR list: [NCR-1, NCR-2, ..
..]. Recommendation per Section 15.3: [Notify / Probation / Suspension review]. Lat
est NCR: [current NCR number].
```

The Coordinator also direct-messages the appropriate owner (Joon-ho Park always; Theo Brandt for safety-critical thresholds; Elizabeth Velasquez for Critical NCR thresholds; Walter Finch for Suspension review thresholds) with a brief notification: Repeat-offender threshold met for [Supplier]. See [Slack channel] post.

The Coordinator does **not** change the supplier's status — that is Joon-ho's authority. The Coordinator only flags the threshold and provides the data.

15.3.2 Repeat-Offender Patterns That Are Not in the Table

Sometimes a supplier exhibits a concerning pattern that does not strictly meet a threshold but is worth flagging — for example, three Tier 1 packaging issues plus a Band 1 short ship in the same week, or a sequence of Minor NCRs that are all related to the same SKU or production line at the supplier. These patterns may be early indicators of supplier control failure even if no individual threshold is met.

The Coordinator may flag any concerning pattern by direct-messaging Joon-ho Park with a brief description and a list of relevant NCR numbers. There is no formal procedure for this — it is part of the Coordinator's situational judgment. **However:** The Coordinator never recommends a status change unilaterally and never tells the supplier that a pattern has been flagged. Pattern flagging is internal only.

15.4 Supplier Status Changes

Status changes are made by Joon-ho Park in `supplier_master.xlsx`. The Coordinator does not need to take any action when a status change occurs — the next receipt from that supplier will be handled per the new status. However, two practical notes:

1. **Status changes can occur mid-shift.** A supplier that was Approved at the start of the shift may be Suspended by mid-afternoon. The Coordinator should re-check supplier status whenever opening a new receipt, even if the supplier was confirmed earlier in the shift.
2. **Probation periods have a defined end date.** The `Probation_End_Date` column in `supplier_master.xlsx` shows when a supplier's probation will be lifted. As the date approaches, the Coordinator may notice that the supplier's NCR pattern has improved. This is normal — the Coordinator does not make any decision; Joon-ho handles probation lifting.

15.5 Inter-Plant Transfers and Supplier Status

Material received from other Gear Systems plants (Birmingham, Pittsburgh) does **not** go through supplier status checks because they are not external suppliers. Inter-plant transfers follow Section 17.4 instead. The `supplier_master.xlsx` lookup is skipped entirely for inter-plant transfers.

However, **quality requirements still apply**. A safety-critical part transferred from Birmingham still requires COC, MTR, and heat number verification (Section 12). The two-track model in Section 7 applies to inter-plant transfers exactly as it applies to external supplier receipts.

16. The Escalation Ladder

This section defines who the Coordinator escalates to, when, and how. Escalation is one of the most critical decision points in this SOP — the wrong escalation choice (too low, too high, or to the wrong person) can either delay resolution or burn senior staff time on routine issues.

The escalation ladder has two dimensions: **dollar value** and **severity override**. Most decisions are made by dollar value. Severity overrides exist for situations where escalation is required regardless of dollar value (e.g., line-down risk, traceability events, suspended supplier arrivals).

16.1 The Dollar-Value Escalation Matrix

The following matrix shows the routing for issues based on the dollar value of the impact. Dollar value is the same number used in the NCR (Section 14.3.4) — affected quantity times unit price.

Dollar Value Range	Routing	Approval / Response Required
Less than \$5,000	Coordinator handles. Document in receiving log and NCR if applicable. No escalation.	None (Coordinator's own authority)
\$5,000 to \$24,999.99	Coordinator handles disposition; notifies Receiving Supervisor (Darnell Hooks) by direct Slack message.	None — informational notification only. Darnell may choose to engage further.
\$25,000 to \$99,999.99	Coordinator notifies Plant Logistics Manager (Elizabeth Velasquez) by direct Slack message AND posts in #escalations-meridian.	Elizabeth's written acknowledgement required before authorizing any putaway, refusal, or supplier communication.
\$100,000 and above	Coordinator notifies Elizabeth AND Plant Manager (Walter Finch) AND Quality Manager (Theo Brandt, if safety-critical) AND Procurement Lead (Joon-ho Park) simultaneously. Posts in #escalations-meridian.	Walter Finch's written acknowledgement required before any disposition action.

These thresholds are **cumulative across the receipt**, not per-line. A receipt with three lines each at \$4,500 of impact totals \$13,500 and falls into the \$5,000–\$25,000 band.

16.2 Severity Overrides

The dollar-value matrix is the default. Several situations require escalation **regardless of dollar value**, including some that involve no measurable dollar impact at all. These are **severity overrides**.

16.2.1 Override Conditions

The following conditions trigger an escalation override. The required routing is described in each row.

Condition	Override Routing
Suspended supplier arrival (Section 15.2.4)	Joon-ho Park + Darnell Hooks + Elizabeth Velasquez + post in #escalations-meridian, regardless of dollar value
Heat number mismatch (Section 12.6.3)	Theo Brandt + Elizabeth Velasquez (notify) + post in #quality-alerts AND #escalations-meridian, regardless of dollar value
Traceability event (Section 11.7.2 or 13.7.3)	Theo Brandt + Elizabeth Velasquez + Walter Finch simultaneously, post in #escalations-meridian. Coordinator stops other work pending guidance.
Line-down risk confirmed by Aditi Krishnamurthy (Section 10.4.1)	Elizabeth Velasquez + post in #escalations-meridian, regardless of dollar value

Condition	Override Routing
New supplier safety-critical refusal (Section 15.2.3)	Theo Brandt + Joon-ho Park, regardless of dollar value
Critical NCR (any cause)	Walter Finch must be CC'd on the NCR letter (per Section 14.4.4) AND Coordinator posts in #escalations-meridian
Multiple Tier 3 events in a single shift from any combination of suppliers	Elizabeth Velasquez via direct message, regardless of individual dollar values
Hazmat shipment without SDS (Section 17.1)	Darnell Hooks + Elizabeth Velasquez + plant EHS contact (Chris Wojciechowski)
Any unknown PO that Procurement cannot identify within 4 hours	Elizabeth Velasquez via direct message
Coordinator uncertainty about which procedure to follow on a receipt with significant impact	Darnell Hooks via direct message — described as “uncertainty escalation,” see 16.2.2

When a severity override applies, follow the override routing **in addition to** any dollar-value routing. They are not mutually exclusive — a \$50,000 heat number mismatch triggers both the \$25,000–\$100,000 routing AND the heat number override routing. In practice this means notifying everyone in both routings.

16.2.2 Uncertainty Escalation

The bottom row of the override table is unusual: it allows the Coordinator to escalate based on **their own uncertainty**, even if no procedural rule in this SOP explicitly requires escalation. This rule exists because the cost of an under-handled significant-impact event is much higher than the cost of an unnecessary supervisor consultation.

The uncertainty escalation is appropriate when:

- The receipt is unusually large or unusually high-value
- The disposition path is ambiguous (multiple sections of this SOP could apply and the precedence is unclear)
- The supplier or PO is unfamiliar in some way that the SOP does not explicitly cover
- The Coordinator has been at the role less than 30 days
- Any other reason the Coordinator’s confidence is low

To use the uncertainty escalation, direct-message Darnell Hooks with the format: Uncertainty escalation – REC-[ID], [Supplier], [PO #]. [Brief description of the uncertainty]. Currently at [step in the process]. Requesting guidance.

The uncertainty escalation is never criticized. Coordinators are explicitly authorized to use it whenever they have meaningful doubt. A Coordinator who escalates an issue that turns out to be routine has done nothing wrong; a Coordinator who fails to escalate an issue that turns out to be significant has missed an obligation.

16.3 Backup Routing When Primary Owners Are Unavailable

The Coordinator must escalate to the right person, but the right person is sometimes unavailable. The backup chain in Section 4.4 governs:

Primary Unavailable	Backup
Darnell Hooks	Elizabeth Velasquez
Elizabeth Velasquez	Walter Finch
Theo Brandt	Reggie Lemoine for inspections; Elizabeth Velasquez for dispositions
Joon-ho Park	Elizabeth Velasquez
Maribel Ortiz	Darnell Hooks
Walter Finch	(No backup at plant level — escalate to Elizabeth Velasquez who will engage corporate if needed)

Important rule: When using a backup, the Coordinator notifies **both** the primary (so they have a record when they return) **and** the backup. The primary notification is by direct Slack message in the format: FYI: I've routed [item] to [Backup Name] in your absence. [Brief context]. This ensures continuity when the primary returns.

16.4 Escalation Slack Post Formats

This subsection consolidates the standardized Slack post formats for #escalations-meridian. The Coordinator should copy these formats exactly — consistency in escalation post format makes them easier for senior staff to parse quickly and easier to audit later.

16.4.1 Standard Dollar-Value Escalation

ESCALATION — DOLLAR VALUE [TIER]: REC-[ID], [Supplier_Name], PO #[Number], [Brief Issue Description]. Dollar value: \$[Amount]. Disposition: [QUARANTINE / REFUSED / ACCEPTED WITH NCR]. NCR: [NCR Number]. Awaiting [acknowledgement / response] from [Owner Name].

16.4.2 Severity Override Escalation

ESCALATION — OVERRIDE [TYPE]: REC-[ID], [Supplier_Name], PO #[Number]. Trigger: [Heat number mismatch / Traceability event / Suspended supplier / etc.]. [Brief description]. Dollar value: \$[Amount]. Disposition: [QUARANTINE / REFUSED / etc.]. NCR : [NCR Number or "pending"]. Awaiting guidance from [Owner Name(s)].

16.4.3 Combined Escalation

When both dollar-value and override routings apply:

ESCALATION — DOLLAR VALUE [TIER] + OVERRIDE [TYPE]: REC-[ID], [Supplier_Name], PO #[Number]. Dollar value: \$[Amount]. Override trigger: [Type]. [Brief description]. Disposition: [...]. NCR: [...]. Awaiting acknowledgement from [list of owners].

16.4.4 Top-Tier Escalation

For the >\$100,000 tier, the format includes additional context to help senior staff prioritize:
TOP-TIER ESCALATION: REC-[ID], [Supplier_Name], PO #[Number], [Brief Issue]. Dollar value: \$[Amount]. Disposition: [...]. NCR: [...]. Production impact: [Line-down risk Y/N, with details]. Customer impact: [Y/N, with details if known]. Photos/docs: [folder path]. Holding all supplier communication and physical action pending Walter Finch acknowledgement.

The Coordinator provides as much context as is known. If production or customer impact is unknown, write Unknown – investigating rather than omitting the field.

16.5 What the Coordinator Does While Awaiting an Escalation Response

Most escalations require the Coordinator to wait for written acknowledgement before continuing. The wait may be minutes, hours, or (in rare cases involving senior staff travel) longer. The Coordinator's behavior during the wait is governed by these rules:

1. **Continue processing other unrelated receipts.** A pending escalation on REC-001 does not stop the Coordinator from processing REC-002, REC-003, etc. The plant cannot afford to halt all receiving while one issue is escalated.
2. **Do not act on the escalated receipt.** No supplier communication, no putaway authorization, no NCR letter sending, no quarantine release. The receipt is in a holding state.
3. **Update receiving_log.xlsx for the escalated receipt** with Status: AWAITING ESCALATION RESPONSE and a note describing what is being awaited.
4. **Re-ping after a defined interval.** If no acknowledgement is received within the following intervals, send a polite reminder direct message:
 - Tier 2 (\$5K–\$25K): no reminder; Darnell will engage when he can
 - Tier 3 (\$25K–\$100K): reminder after 2 hours
 - Tier 4 (\$100K+): reminder after 1 hour
 - Severity overrides: reminder after the time interval matching the highest tier triggered
5. **If the reminder also goes unanswered:** Escalate one level up. For example, if Elizabeth does not respond to a \$50,000 escalation within 2 hours and does not respond to the reminder within another 2 hours, the Coordinator direct-messages Walter Finch with: No response from Elizabeth Velasquez on REC-[ID] \$[Amount] escalation since [original time]. Reminder sent at [time], no response. Escalating to you per Section 16.5.
6. **If end of shift approaches and no escalation response is received:** Include the open escalation in the end-of-shift handoff post (Section 18.2). Do not leave a pending escalation undocumented.

16.6 What the Coordinator Does NOT Escalate

The escalation system is designed to flag exceptions, not normal operations. The Coordinator does **not** escalate:

- Routine receipts that follow the standard procedure successfully
- Auto-accept variances within the threshold

- Tier 0 clean receipts
- Standard parts with verified documentation and exact quantity, even on a large dollar value
- The Coordinator's own routine questions about how to use a workbook (those go to the Coordinator's peer or to documentation, not to senior staff)
- Personnel issues, schedule questions, or other non-receiving topics
- Hypothetical "what if" questions — escalations are for actual events that have occurred

When in doubt about whether an escalation is appropriate, the uncertainty escalation in Section 16.2.2 is the correct path. **It is always better to use the uncertainty escalation than to escalate a non-issue or to fail to escalate a real issue.**

17. Special Cases

This section covers receipt situations that follow a modified version of the standard procedures in Sections 8–14. Each special case applies the standard process with specific exceptions or additions noted below. **Where this section is silent, the standard procedures apply.** The Coordinator does not need to re-derive the entire procedure for each special case — only the differences are described here.

17.1 Hazmat Shipments

A hazmat (hazardous material) shipment is any inbound shipment containing material classified as hazardous under Department of Transportation (DOT) regulations. At Meridian, hazmat receipts are typically lubricants, solvents, paints, and certain adhesives. Hazmat status is identified in two places: the Hazmat_Flag column in dock_schedule.xlsx (set when the appointment was made) and the Hazmat_Flag column in open_pos.xlsx (set when the PO was issued).

17.1.1 Required Documentation for Hazmat

In addition to the standard documentation requirements (Section 12.1), every hazmat shipment requires:

- **Safety Data Sheet (SDS)** for each hazardous material in the shipment, current within the past 3 years, in PDF form
- **Hazmat manifest** signed by the carrier, listing UN numbers, hazard class, packing group, and emergency contact information
- **DOT-compliant labeling** on every package (verified visually by the Dock Crew, reported to the Coordinator)

The Coordinator verifies that all three are present **before authorizing unloading**, not after. Hazmat without proper documentation is never unloaded — it must remain on the truck while documentation is sought, and if documentation cannot be produced, the shipment is refused.

17.1.2 Hazmat Procedure

1. At dock check-in, the Coordinator confirms the hazmat flag in dock_schedule.xlsx and checks for the SDS, hazmat manifest, and DOT labeling status from the Dock Crew.
2. **If any of the three required items is missing or non-compliant:**
 - **Do not unload.**
 - Post in #receiving-dock instructing the Dock Crew to hold the driver on the truck.
 - Direct-message Darnell Hooks AND the Plant EHS contact (Chris Wojciechowski, chris.wojciechowski@gearsystems.com, @cwoj on Slack) simultaneously: Hazmat documentation issue – REC-[ID], [Supplier_Name], PO #[Number]. Missing: [list]. Truck holding. Awaiting guidance.
 - **NCR required, severity Major** (type DOC).
 - Wait for written guidance. If documentation can be produced electronically by the supplier within 1 hour, proceed. If not, refuse the shipment per Section 8.7.
3. **If all three items are present:**
 - Verify the SDS covers the actual products on the packing slip. A generic SDS for the wrong product is not acceptable.
 - Save the SDS to sds\ with filename [SKU]_SDS.pdf. If multiple hazmat SKUs are in the receipt, save each separately.
 - Save the hazmat manifest to hazmat_manifests\ with filename MER-PO-[Number]_manifest.pdf.
 - Notify Chris Wojciechowski via Slack post in #receiving-dock: HAZMAT RECEIPT: REC-[ID], [Supplier_Name], [list of hazmat SKUs]. SDS and manifest verified, on file. Cleared to unload.
 - Proceed with the standard receiving procedure from Section 9 onward.
4. Hazmat material is putaway to a designated hazmat storage area (not normal warehouse locations). The Inventory Control team handles this — the Coordinator authorizes putaway via the standard Slack post (Section 13.4) but specifies HAZMAT STORAGE as the destination location for hazmat lines.

17.1.3 Hazmat Special Notes

- Hazmat receipts are exempt from the normal dock-to-stock time targets. Hazmat handling is intentionally slower because errors can have safety consequences. Document this in the receiving log: Hazmat receipt – extended dock-to-stock per Section 17.1.3.
- Spilled or leaking hazmat material on arrival is a **Tier 3 catastrophic damage event** (Section 11.6) AND triggers immediate EHS escalation. Direct-message Chris Wojciechowski first, then proceed with the Tier 3 procedure.
- The Coordinator never personally handles hazmat material, even if it appears safe. All physical contact is by the Dock Crew using appropriate PPE per the EHS manual.

17.2 Oversize and Heavy-Lift Shipments

An oversize shipment is one that exceeds the standard pallet dimensions (48" × 40" × 60" tall, up to 2,500 lb per pallet) or that requires special equipment (drop-deck trailer, lift gate, crane). Oversize status is flagged in dock_schedule.xlsxSpecial_Handling column when the appointment is made.

17.2.1 Oversize Procedure

1. At start of shift, the Coordinator reviews the day's appointments in `dock_schedule.xlsx` and identifies any oversize or heavy-lift entries. The Coordinator notes which dock door has the heavy-lift equipment available (typically Dock 3 or Dock 4 at Meridian) and confirms with the Dock Crew that the equipment is operational.
2. If the equipment is not operational, direct-message Darnell Hooks immediately. Oversize receipts cannot be unloaded without functional equipment, and the supplier must be notified to delay shipment.
3. When the oversize truck arrives, the Coordinator confirms the appointment and assigns the equipped dock door. If the appointment was originally for a different door, the Coordinator updates `dock_schedule.xlsx` Dock_Door column and notifies the Dock Crew via Slack post.
4. The Coordinator allocates **double the standard time** for the receipt — oversize handling typically takes 4 hours rather than 2 for standard parts, and 6–8 hours for safety-critical. Post a TIMING BREACH notice if needed with reason Oversize per Section 17.2.
5. The standard Sections 9–14 procedures apply otherwise. Quantity disposition for oversize loads often involves a single very large item rather than many small units, so variance bands are typically not applicable — use the disposition Tier 0 / Exact / Verified if the single item arrives intact and as ordered.

17.3 Direct-to-Line Deliveries

Some PO lines are designated **direct-to-line** (DTL), meaning the material is unloaded at the dock and immediately delivered to the production line rather than being putaway to a warehouse location. DTL is used for high-velocity items where holding inventory in the warehouse adds no value. DTL status is flagged in `open_pos.xlsx` DTL_Flag column.

17.3.1 DTL Procedure

1. The Coordinator processes the receipt through Sections 8–12 normally — disposition is the same as for any other receipt.
2. **The receiving log entry differs in two ways:**
 - The destination location is the production line code (e.g., LINE-ASMB-03) rather than a warehouse location.
 - A separate flag is set: DTL: Y in the receiving log (this is a column that exists for DTL tracking).
3. **The inventory master update differs:**
 - Do not increase On_Hand_Qty at a warehouse location.
 - Increase On_Hand_Qty at the production line location, which appears as a row in `inventory_master.xlsx` with Location: LINE-[Code].
4. **The putaway authorization Slack post differs:** instead of authorizing the Dock Crew to move material to a warehouse location, authorize delivery direct to the production line. The Slack post is in #receiving-dock with the format:

DTL DELIVERY AUTHORIZED: REC-[ID], [Supplier], [SKU], [Qty] units → LINE-[Code]. Coordinator: [Initials].

5. Additionally, post in #planning-meridian to notify Production Planning that the material has arrived:

DTL ARRIVAL: REC-[ID], [SKU], [Qty] units delivered to LINE-[Code] at [time]. Receipt complete.

6. **DTL receipts cannot be quarantined to the line.** If the disposition for a DTL line is quarantine for any reason, the DTL flag is overridden and the material is moved to Q-HOLD instead. The line will not receive the expected delivery, which may create line-down risk. Notify Aditi Krishnamurthy immediately: DTL receipt quarantined – REC-[ID], [SKU], [Qty] units intended for LINE-[Code], now in Q-HOLD per [Section]. Line-down risk likely. Please advise.

17.4 Inter-Plant Transfers

Inter-plant transfers are shipments from another Gear Systems plant — typically Birmingham (AL) or Pittsburgh (PA) — rather than from an external supplier. Inter-plant transfers occur for several reasons: balancing inventory across plants, transferring work-in-process, sourcing parts from a sister plant when the normal supplier is delayed, or returning material between plants.

Inter-plant transfers are identified by the Supplier_ID on the BOL: Birmingham uses INT-BHM and Pittsburgh uses INT-PIT. These are reserved internal IDs and do not appear in supplier_master.xlsx.

17.4.1 Modifications for Inter-Plant Transfers

Procedure Element	Standard Receipt	Inter-Plant Transfer
Supplier status check (Section 15)	Required	Not applicable — sister plants are not external suppliers
Supplier_master.xlsx lookup	Required	Skip
NCR routing	NCR sent to external supplier	NCR sent to sending plant's logistics manager instead. For Birmingham: Sherri Olds, sherri.olds@gearsystems.com. For Pittsburgh: Anand Krishnan, anand.krishnan@gearsystems.com.
Documentation requirements (Section 12)	Per Section 12.1	Same requirements — safety-critical parts still need COC, MTR, heat number verification. The sending plant generates these.
Quantity variance bands (Section 10)	Per Section 10.3–10.5	Same bands — inter-plant transfers are not exempt from variance discipline.
Damage tiers (Section 11)	Per Section	Same tiers — but carrier claims (Section 11.6.3) are 11 routed to the sending plant for resolution rather than to a freight carrier, since inter-plant transfers are typically on Gear Systems-owned trucks.
Repeat-offender tracking (Section 15.3)	Tracked per supplier	Not tracked — inter-plant performance is managed via a separate corporate process

Procedure Element	Standard Receipt	Inter-Plant Transfer
Escalation routing (Section 16)	Per Section 16	Add the sending plant's logistics manager to all escalations on inter-plant transfers in addition to the standard recipients

17.4.2 Inter-Plant Transfer Notes

- Inter-plant transfers are sometimes time-sensitive (e.g., a Birmingham emergency transfer to cover a Meridian shortage). The Coordinator should check the `Special_Handling` column in `dock_schedule.xlsx` for notes like `Emergency cover` or `Line-down support` and prioritize accordingly.
- A safety-critical inter-plant transfer with missing COC/MTR is **as serious as the same failure from an external supplier**. The two-track model (Section 7) does not soften for sister plants. The traceability chain must be unbroken regardless of which Gear Systems facility produced the documentation.
- Inter-plant transfers are exempt from refusal for “Suspended supplier” reasons (sister plants cannot be suspended), but **all other refusal triggers apply** — Tier 3 damage, missing documentation that cannot be produced, hazmat without SDS.

17.5 Customer Returns Received at the Dock

Occasionally a customer returns material to Meridian — typically because the material was found defective after shipment to the customer, was shipped in error, or is being returned under a warranty or RMA process. Customer returns arrive at the same receiving dock as supplier shipments and are sometimes mistaken for supplier shipments at first.

Customer returns are out of scope for this SOP. They are handled under SOP-QUA-MER-08 (RMA Handling) by the Quality team. The Coordinator’s only role is to **identify** the return and **redirect** it.

17.5.1 Identifying a Customer Return

A shipment is a customer return if any of the following is true:

- The BOL or packing slip identifies the shipper as a Gear Systems customer (cross-reference against `customer_list.xlsx` if uncertain)
- The paperwork includes an RMA number in the format `RMA-MER-NNNNNN`
- The driver explicitly states that the shipment is a return
- The packing slip explicitly states “RETURN” or “RMA” prominently

17.5.2 Redirect Procedure

1. Do not process the receipt under this SOP.
2. Direct-message the Quality RMA Coordinator (Yuki Tanaka, yuki.tanaka@gearsystems.com, @ytanaka): Customer return arrived at receiving dock — [Customer Name], BOL #[Number], RMA #[Number if visible]. Driver awaiting direction. Please advise.
3. Hold the truck at the receiving area (do not unload, do not refuse) until Yuki responds.

4. Yuki will direct the truck to the RMA receiving area (a separate location at the Meridian plant) or will come to the dock to receive the material directly.
5. Once redirected, the Coordinator notes the event in a dedicated log: `rma_redirects_log.xlsx`. This log is reviewed quarterly to identify whether customer returns are arriving at the wrong dock (which may indicate a customer-facing communication issue).
6. The Coordinator's responsibility ends here. Yuki handles all further processing under SOP-QUA-MER-08.

17.5.3 If the RMA Coordinator Is Unavailable

If Yuki Tanaka is unavailable and there is no backup Quality contact responsive within 30 minutes, escalate to Theo Brandt: Customer return at receiving dock, Yuki Tanaka unavailable. Truck holding. Need direction. Theo will either authorize a temporary hold (the truck is parked in the staging yard until Yuki is reachable) or designate a backup. **Do not refuse the customer return** — refusing a customer's return shipment creates significant commercial damage and is never the correct decision.

18. End-of-Shift Handoff and Shift Continuity

The Meridian receiving dock operates first shift only, but the Coordinator's work does not always complete cleanly within a single shift. Open receipts, pending escalations, and quarantined material in Q-HOLD carry over from one day to the next, and the Coordinator must hand off cleanly so the next day's first-shift Coordinator (which may be the same person or a different person on a rotation or in a coverage situation) can continue without information loss.

18.1 End-of-Shift Checklist

The Coordinator begins the end-of-shift process **30 minutes before** scheduled shift end (i.e., at 14:00 CST for a standard 06:00–14:30 shift). The checklist is:

Item	Action	Reference
	Review every In Process row in <code>receiving_log.xlsx</code> from today's shift. Determine which can be completed and which cannot.	18.2
2	Complete any receipts that can be wrapped up before shift end.	Sections 9–14
3	For receipts that cannot be completed, set Status to OPEN – handoff and add a Handoff_Notes column entry describing what remains to be done.	18.3
4	Review open NCRs in <code>ncr_log.xlsx</code> for any awaiting Coordinator action today (Critical NCR drafts pending Theo's review, etc.).	Section 14
5	Review the day's quarantine entries. Confirm the calendar events were created.	Section 14.6
6	Review the day's escalations. Confirm any awaiting acknowledgement are noted in the handoff.	Section 16.5
7	File all processed emails per Section 18.5.	18.5

Item	Action	Reference
	Post the end-of-shift handoff message in #receiving-dock.	18.4
9	Close all open workbooks.	18.6

The 30-minute window ensures the Coordinator is not rushing. If the checklist is not complete by shift end, the Coordinator stays past shift end to finish — receiving handoff is not optional, and incomplete handoff is a process failure that affects the next shift.

18.2 Open Receipts at End of Shift

A receipt is **open** at end of shift if any of the following is true:

- Material has been unloaded but disposition is not yet final (Sections 10–12 incomplete)
- Disposition is final but `inventory_master.xlsx` has not been updated (Section 13.2 incomplete)
- The receipt is awaiting an escalation response (Section 16.5)
- The receipt is in quarantine and the re-inspection date has not yet arrived
- An NCR is pending Theo Brandt’s Critical review or any other awaiting-input status

For each open receipt, the Coordinator populates the `Handoff_Notes` column in `receiving_log.xlsx` with a structured note. The format is:

[Status]: [Brief description of where the receipt is in the process]. [What needs to happen next]. [Who is the next-action owner – Coordinator, supplier, manager name, etc.]. [Any deadlines or sensitivities].

Worked example:

AWAITING DISPOSITION: Sections 10 (qty) and 11 (condition) complete. Section 12 in complete – MTR not yet received from supplier. Email sent at 11:42 CST per Template 11. Supplier response expected by COB. If MTR arrives, verify heat numbers per Section 12.6 and proceed to Section 13. If MTR does not arrive by 14:00 CST tomorrow, escalate per Section 12.5.2 and 14.5.1.

The `Handoff_Notes` column is the next-shift Coordinator’s first reference when picking up an open receipt. **A vague handoff note is worse than no handoff note** — it gives false confidence that the situation is understood. Be specific.

18.3 Receipts That Must Wait Until Tomorrow

Some receipts cannot be completed today and must wait. Examples:

- A safety-critical receipt with missing COC where the supplier has been emailed and has not yet responded
- A receipt awaiting senior staff acknowledgement on an escalation
- A receipt where Quality inspection is required but Reggie Lemoine is unavailable for the rest of today

For these:

1. Confirm the receipt status in receiving_log.xlsx is OPEN – handoff.
2. Confirm physical material is in a controlled location:
 - Accepted material goes to its assigned warehouse location even if the receiving log entry is incomplete (the material is real and must be stored properly; the paperwork can catch up tomorrow).
 - Quarantined material is in Q-HOLD.
 - Awaiting-decision material is in the receiving area, clearly tagged with OPEN HANDOFF signage by the Dock Crew.
3. Confirm the Dock Crew knows which material is in which status. Direct-message Curtis Yablonski with a summary.
4. Note in the handoff post (Section 18.4) that this receipt is open and reference the Receipt_ID.

18.4 The Handoff Post

The Coordinator posts a single consolidated handoff message in #receiving-dock no later than **15 minutes before scheduled shift end** (i.e., 14:15 CST for a standard shift). The format:

END-OF-SHIFT HANDOFF [MM/DD/YYYY] – Coordinator: [Initials]

Receipts completed today: [N]
 Receipts open at handoff: [N]
 NCRs issued today: [N] ([breakdown by severity])
 Quarantines applied today: [N]
 Escalations open: [N]

OPEN RECEIPTS:

- REC-[ID]: [One-line status, see Handoff_Notes in receiving log for detail]
 - REC-[ID]: [One-line status]
 [...]

OPEN NCRs AWAITING COORDINATOR ACTION:

- NCR-MER-2026-[Number]: [One-line status]
 [...]

OPEN ESCALATIONS:

- REC-[ID], \$[Amount], [Tier], awaiting [Owner Name] since [Time]
 [...]

QUARANTINE STATUS:

- Q-HOLD currently holds [N] entries totaling approximately \$[Amount]. Re-inspections scheduled: [list of Receipt_IDs and dates].

NOTES FOR TOMORROW:

- [Anything else the next-shift Coordinator needs to know – supplier issues, equipment status, scheduled appointments, expected arrivals]

The handoff post is the single most important communication the Coordinator produces in a shift. **An incomplete or missing handoff post is a process violation** and is reviewed in the

quarterly audit (Section 19). Even on a shift with no open items, the handoff post is required — it confirms that the Coordinator did the end-of-shift checklist and that nothing was missed.

18.5 Email Folder Housekeeping

Throughout the shift, the Coordinator processes emails from suppliers, internal staff, carriers, and dock crew. At end of shift, every email received during the shift must be filed into the appropriate folder. **Every email, without exception.** An email left in the inbox creates ambiguity about whether it has been processed.

18.5.1 Email Folders

- **Receipts - In Process** — Emails relating to receipts currently in In Process or OPEN – handoff status. Files move to other folders once the receipt is closed.
- **NCRs - Open** — NCR-related emails (drafts sent, supplier responses received, internal CC traffic) for NCRs in Open or Sent - Awaiting Response status.
- **NCRs - Closed** — NCR-related emails for NCRs marked Resolved or Closed.
- **Suppliers - General** — Routine supplier communications not tied to a specific NCR or active receipt.
- **Carriers** — Carrier communications, BOL reissue requests, carrier claims.
- **Internal** — Internal Gear Systems traffic — Procurement, Quality, Production Planning, Plant Logistics.
- **Hazmat** — Hazmat-specific communications, SDS updates, EHS coordination.
- **RMA - Redirected** — Customer return communications (typically forwarded to or from Yuki Tanaka).
- **General** — Anything that does not fit elsewhere — supplier marketing, off-topic queries, shipping carrier promotions. Reviewed quarterly and pruned.

18.5.2 Filing Rules

- **Mark every processed email as read**, with one exception noted below.
- Move processed emails out of the inbox and into the appropriate folder.
- If an email belongs to multiple categories, file it in the **highest-priority** category (e.g., an email that is both an NCR response and a supplier general communication goes in NCRs - Open).
- **Do not delete** any email without supervisor approval. The receiving inbox is a record of communication and must be retained per Section 19.
- **Exception to the mark-as-read rule:** If an email is unclear or you are unsure where it belongs, file it in General but **leave it marked unread**, so the next-shift Coordinator sees it at a glance for review.

18.6 Closing Open Workbooks

At the very end of the shift, after the handoff post is sent, the Coordinator closes every open workbook on the workspace. This is a small detail but matters for two reasons: (1) leaving a workbook open by one user blocks edits by other users, and (2) closing the workbook forces a save to the workspace, ensuring no work is lost.

The Coordinator visually confirms each of the following workbooks is closed:

- open_pos.xlsx
- receiving_log.xlsx
- inventory_master.xlsx
- supplier_master.xlsx
- ncr_log.xlsx
- dock_schedule.xlsx
- closed_pos_archive.xlsx
- carrier_claims_log.xlsx
- carrier_contacts.xlsx
- rma_redirects_log.xlsx

Plus any of the supporting files in that were opened during the shift.

19. Records Retention, Audit, and Compliance

This section defines how long receiving records must be kept, who audits them, and what the Coordinator is responsible for during audit activity. The integrity of the audit trail is the entire point of the documentation discipline that runs through this SOP — every “always update the workbook” and “every email goes in a folder” rule in this document exists so that the records described in this section can be produced on demand and trusted as complete.

19.1 Records Retention Schedule

The retention windows below are mandatory. Records may not be deleted, archived to inaccessible storage, or otherwise made unretrievable before their retention period expires. After expiration, records are archived per the corporate records management policy (out of scope for this SOP — see SOP-CORP-08 Records Management).

Record Type	Retention Period	Justification
receiving_log.xlsx entries — safety-critical lines	7 years from receipt date	DOT 49 CFR Part 579 traceability requirement for commercial vehicle components
receiving_log.xlsx entries — standard lines	COC PDFs (safety-critical) MTR PDFs	3 years from receipt date
ncr_log.xlsx entries — any NCR involving safety-critical parts	(safety-critical) Heat number records	7 years from issue date
ncr_log.xlsx entries — standard parts only		3 years from issue date

7 years from receipt date **7 years**

from receipt date **7 years** from Corporate records policy receipt date

Traceability tied to safety- critical material

Corporate records policy

DOT

traceability

DOT

traceability

DOT

traceability

Record Type

Retention Period

Justification

Packing slip and BOL PDFs

3 years from receipt date

Standard commercial records

Photos of damage, defects, and refusals

3 years from receipt date (7 years if safety-critical)

Evidence for NCR and carrier claim disputes

Carrier claim records

5 years from claim filing

Standard commercial dispute window

Quarantine release authorizations

7 years if safety-critical, **3 years** otherwise

Match the underlying material's retention

dock_schedule.xlsx entries

2 years from appointment date

Operational reference only; not a regulatory record

Slack channel history

Retained per corporate Slack retention policy (currently **3 years**)

Out of Coordinator control

Email folders

7 years for NCRs - Open, NCRs - Closed, Hazmat; **3 years** for all others

Match underlying record retention

Coordinator initials log (who worked which shift)

7 years

Audit traceability for who took which actions

The Coordinator's day-to-day responsibility under retention is simple: **never delete records**. Deletion is performed only by the records management team on the corporate retention schedule, never by the Coordinator. The Coordinator may move files between folders for housekeeping (Section 18.5), but never delete.

19.2 The "If It Isn't In The Workbook" Rule

This rule is stated elsewhere in this document (Section 5) but is restated here because it is the foundation of records retention compliance:

If it isn't in the workbook, it didn't happen.

Verbal updates do not count as records. Sticky notes do not count. Personal spreadsheets do not count. Memory does not count. Slack messages count only as supporting evidence to a workbook entry, not as the entry itself. If an action was taken — a quantity counted, a quarantine applied, an NCR issued, an authorization granted — the workbook entry is the only thing that proves it. An audit asking “what was the disposition of REC-20260215-007?” looks first and only at receiving_log.xlsx row for that Receipt_ID.

This rule is non-negotiable. It is the reason for the discipline around posting receiving log rows, the reason corrections must be added as new rows rather than overwrites, and the reason every quarantine flag must be applied immediately. **An undocumented action is functionally equivalent to no action at all** — the company has no way to defend itself in an audit or dispute without the workbook entry.

19.3 Quarterly Internal Audit

The Quality team (Theo Brandt) conducts a quarterly internal audit of receiving operations at Meridian. The audit covers a sample of receipts from the previous quarter and verifies that the receiving records, NCRs, quarantine actions, and supporting documentation are complete and accurate.

19.3.1 Quarterly Audit Schedule

<u>Quarter</u>	<u>Audit Window</u>	<u>Sample Period</u>
Q1 audit	First two weeks of April	January–March receipts
Q2 audit	First two weeks of July	April–June receipts
Q3 audit	First two weeks of October	July–September receipts Q4
audit	First two weeks of January (following year)	October–December receipts

Theo Brandt notifies the Receiving team approximately one week before the audit window opens. The notification includes the list of receipts that will be sampled.

19.3.2 Coordinator Responsibilities During Audit

When an audit is in progress, the Coordinator may receive direct requests from Theo or from a member of the Quality audit team. The Coordinator's obligations are:

1. **Respond to record retrieval requests within 1 business day.** The auditor may ask for any specific receipt's records (the receiving log row, the COC, the MTR, photos, NCR letter, supplier emails). The Coordinator retrieves these from the relevant files and folders and forwards by email to the auditor with the subject line AUDIT RESPONSE: REC-[ID].
2. **Do not modify any record being audited.** If the auditor requests REC-20260215-007 and the Coordinator notices an error in that row during retrieval, the Coordinator does **not** silently correct the error. The Coordinator notes the error in the email response: Audit response: REC-20260215-007 records attached. Note: discrepancy identified in [field], appears to be [original/correct]. Have not modified the row pending audit conclusion. Will follow Section 13.6 cross-shift correction procedure after audit closes if appropriate.
3. **Be available for follow-up questions.** Audits often involve clarifying questions about why a particular disposition was made. Answer factually, refer to the relevant section of this SOP, and never speculate. If the Coordinator does not remember a specific receipt, that is acceptable — refer the auditor to the workbook entry, which is the authoritative source.
4. **Continue normal receiving operations.** An audit is not a reason to suspend receiving. The Coordinator processes today's receipts under this SOP while responding to audit requests for past receipts in parallel.

19.3.3 What the Audit Looks For

For the Coordinator's awareness, the audit typically verifies:

- Every required column in the receiving log row is populated
- Disposition follows the precedence rule in Section 7.5 given the documented findings

- Safety-critical parts have COC, MTR, and matching heat numbers on file
- NCRs were issued where required and at the correct severity
- Quarantine flags were applied immediately and quarantine releases have written authorization
- Escalations were routed correctly per Section 16
- Email housekeeping (Section 18.5) was completed
- Handoff posts (Section 18.4) were published every shift end
- Timing breaches were self-reported per Section 6.4

A receipt that passes the audit is marked **Audit Verified [QQ-YYYY]** in the `receiving_log.xlsx` Notes column by the audit team. A receipt that fails the audit is the subject of a corrective action item assigned to the Receiving team — typically additional training for the Coordinator and a process review by Darnell Hooks.

19.4 Audit-Triggered Corrective Actions

Audits sometimes identify procedural gaps that result in **corrective action items**. The Coordinator may be assigned a corrective action — typically additional training, revised handling of a specific situation, or a one-time review of records in a particular category.

Corrective actions are tracked in `corrective_actions_log.xlsx`. The Coordinator completes assigned corrective actions within the deadline specified in the assignment and confirms completion by email to the assigning party (typically Theo Brandt or Darnell Hooks).

A corrective action is **not** a disciplinary event by itself. It is part of the continuous improvement cycle. However, repeated corrective actions on the same Coordinator for the same root cause may trigger additional training requirements or, in rare cases, a reassignment.

20. Performance Standards

The Inbound Materials Coordinator role is measured against a small set of operational metrics. These metrics are reviewed monthly by Darnell Hooks and quarterly by Elizabeth Velasquez. The metrics described in this section are not the entire performance evaluation — that includes other factors not relevant to this SOP — but they are the operational indicators tied directly to the procedures in this document.

20.1 Key Metrics

Metric	Target	Calculation	Notes
Inventory Accuracy counted, expressed as	≥ 98.5% MER-04.	Variance from cycle counts ÷ total units The Coordinator's accuracy percentage receiving entries in	Cycle counting is performed by Inventory Control under SOP-LOG- contribution is via accurate <code>inventory_master.xlsx</code> .
Dock-to-Stock —	≤ 2 hours	Average elapsed time from dock check-in to	Hazmat and oversize receipts Time (Sections 17.1, 17.2) are excluded.

Metric	Target	Calculation	Notes
Standard Parts		putaway authorization (Section 13.4), measured per receipt for standard-part lines	
Dock-to-Stock Time — Safety-Critical Parts	≤ 4 hours	Same as above for safety-critical lines	The longer window reflects the additional documentation gate.
Receiving Log Entry Latency	Within 15 minutes of dock check-in, ≥ 98% of the time	Compliance percentage with the 15-minute logging rule (Section 8.2)	Self-reported timing breaches (Section 6.4) count as misses.
NCR Issuance Latency	Within 24 hours of disposition decision, ≥ 95% of the time	Compliance percentage with the 24-hour NCR letter rule (Section 14.4)	Critical NCRs awaiting Theo Brandt review are excluded if Theo's review took >24 hours.
Unescalated Threshold Breaches	Zero per quarter	Count of receipts where a dollar-value or severity-override escalation was required but not made	This is a zero-tolerance metric. Any occurrence triggers immediate review and retraining.
Repeat Same-Shift Corrections Missed Quarantines	≤ 2 per quarter average Zero per quarter	Count of -C1, -C2, etc. correction rows in the receiving log Count of recovery procedures invoked under Section 13.7	Flagged in audit if exceeded; Section 13.5.1 describes the underlying procedure. Zero-tolerance for safety-critical missed quarantines; standard-part missed quarantines reviewed but not zero-tolerance.
Handoff Post Compliance	100%	Percentage of shifts ending with a posted handoff message in #receiving-dock (Section 18.4)	A missing handoff post is a process violation.

20.2 How Metrics Are Calculated

Metrics are calculated automatically from the workbooks at month-end. The Coordinator does not need to track metrics personally — the data exists in receiving_log.xlsx, ncr_log.xlsx,

and the related files. Darnell Hooks runs the monthly metric extraction and shares results in a one-on-one review with the Coordinator.

The Coordinator's responsibility is to keep the underlying records accurate. Metrics derived from inaccurate records are themselves inaccurate, and the audit will catch the mismatch eventually.

20.3 What Metrics Do Not Measure

The metrics above measure compliance and accuracy but do not measure judgment, communication, teamwork, or initiative. A Coordinator who hits every metric but fails to use the uncertainty escalation when appropriate (Section 16.2.2), or who communicates poorly with Curtis Yablonski and the Dock Crew, is not performing well even if the numbers are clean. Conversely, a Coordinator who occasionally misses a 15-minute logging deadline but uses good judgment in difficult escalations is performing well even with a slightly imperfect compliance number.

The metrics are a floor, not a ceiling. **Meeting them is the minimum expectation, not the goal.**

21. Critical Prohibitions

This section consolidates the “do not” rules scattered throughout this document into a single one-page reference. Each rule is also stated at the relevant procedural point in earlier sections; this section exists so that the Coordinator can review the most critical prohibitions in one place. Print this page and post it at the Coordinator workstation.

Each prohibition exists because the prohibited action has caused a real failure at Gear Systems or in the industry. They are not bureaucratic — they are scar tissue from past mistakes.

21.1 Receipt and Authorization Prohibitions

1. **Do not receive material against an expired, cancelled, or unknown PO.** No exceptions. No verbal authorizations from buyers, supervisors, or the supplier. Procurement must confirm in writing before any unauthorized receipt is processed. *(Section 9.2)*
2. **Do not authorize putaway for safety-critical material without verified heat numbers matching the COC and MTR.** Quarantine instead. *(Section 12.6)*
3. **Do not release safety-critical material from quarantine without Theo Brandt's written email approval.** Slack approval is not sufficient for safety-critical releases. *(Section 14.7.1)*
4. **Do not accept delivery from a Suspended supplier.** Refuse at the dock and escalate. There are no exceptions, including for “the supplier didn't know they were suspended” or “this load was already in transit.” *(Section 15.2.4)*
5. **Do not allow a New supplier to ship safety-critical parts without Theo Brandt's pre-approval recorded in open_pos.xlsx.** Refuse at the dock if the pre-approval flag is missing. *(Section 15.2.3)*

21.2 Records and Documentation Prohibitions

6. **Do not edit or overwrite a posted receiving log row.** Add a correction row instead, per Section 13.5 (same-shift) or Section 13.6 (cross-shift). *(Section 13.1)*
7. **Do not delete records of any kind.** Records may be moved between folders but never deleted. This includes emails, photos, workbook rows, and PDFs. *(Section 19.1)*
8. **Do not split a single shipment across multiple PO numbers in the receiving log to “make the math work.”** One shipment, one PO. If the math does not work, it is a discrepancy and must be processed under the relevant section. *(Section 9.5)*
9. **Do not close a receiving log entry with a discrepancy unresolved.** Quarantine or escalate instead. A partial or ambiguous disposition leaves a permanent gap in the audit trail. *(Section 12.9)*
10. **Do not accept a packing slip in place of a COC for safety-critical parts.** They are different documents with different content. *(Section 12.5.1)*
11. **Do not silently correct an error noticed during an audit response.** Note the error in the audit response and follow the correction procedure after the audit closes. *(Section 19.3.2)*

21.3 Communication Prohibitions

12. **Do not communicate with suppliers by phone about any receiving matter.** All supplier communication is in writing (email, or in narrowly defined internal cases, Slack). The phone is not an approved communication channel for the Coordinator role — there is no audit trail, no attachment capability, and no record of what was agreed. Route any inbound supplier phone calls to Joon-ho Park in Procurement. *(Section 14.4)*
13. **Do not delete or move a Slack post in #quality-alerts, #escalations-meridian, or any other channel referenced in this SOP.** If you posted in error, post a correction reply. Slack history is part of the audit trail. *(general)*
14. **Do not promise a supplier any specific resolution** — credit, rework acceptance, return authorization, expedited replacement, or pricing adjustment. Resolution is Procurement’s call (Joon-ho Park) or Quality’s call (Theo Brandt) depending on the issue. The Coordinator’s role is to document and escalate, not to resolve. *(Section 14.4)*
15. **Do not communicate directly with auditors beyond basic factual answers to immediate questions.** Notify Theo Brandt or Elizabeth Velasquez of any auditor contact. *(Section 19.3.2)*
16. **Do not bypass the dollar-value escalation ladder** even if the named owner is unavailable. Use the backup chain in Section 16.3. *(Section 16)*
17. **Do not refuse a customer return at the dock.** Redirect to Yuki Tanaka (RMA Coordinator) per Section 17.5. Refusing a customer return creates significant commercial damage. *(Section 17.5)*

21.4 Safety and Hazmat Prohibitions

18. **Do not authorize unloading of a hazmat shipment without verified SDS, hazmat manifest, and DOT-compliant labeling.** Hold the truck and escalate. *(Section 17.1)*
19. **Do not personally handle hazmat material**, even if it appears safe and contained. All physical contact is by the Dock Crew using appropriate PPE. *(Section 17.1.3)*
20. **Do not move material out of Q-HOLD without a documented quarantine release** per Section 14.7.

21.5 The “When in Doubt” Rules

21. **When in doubt about whether a part is safety-critical, treat it as safety-critical.** The cost of an unnecessary safety-critical handling is small; the cost of missing a safety-critical part is severe. *(Section 7.2)*
22. **When in doubt about whether to refuse or quarantine, choose quarantine.** Refusal forecloses options. Quarantine preserves them. *(Section 8.7)*
23. **When in doubt about whether to issue an NCR, issue one.** An unnecessary NCR can be closed; a missing NCR cannot be retroactively created. *(Section 14.1)*
24. **When in doubt about whether to escalate, use the uncertainty escalation in Section 16.2.2.** It is never criticized.
25. **When in doubt about which procedure applies, contact Darnell Hooks before acting.** Improvisation in receiving creates traceability gaps that cannot be repaired retroactively.

22. Document Control

22.1 Document Information

<u>Field</u>	<u>Value</u>
Document ID	SOP-LOG-MER-02
Document Title	Inbound Receiving & Supplier Nonconformance — Meridian Plant
Version	4.2
Effective Date	February 1, 2026
Document Owner	Elizabeth Velasquez, Plant Logistics Manager
Approving Authority	Walter Finch, Plant Manager
Quality Review	Theo Brandt, Quality Manager
Procurement Review	Joon-ho Park, Procurement Lead
Next Scheduled Review	February 1, 2027
<u>Field</u>	<u>Value</u>
Storage Location	\\meridian-fs01\plant_logistics\sops\SOP-LOG-MER-02_v4.2.pdf

22.2 Version History

Version	Date	Changes	Approved By	
1.0	March 15, 2018	Initial release	Plant Manager (then: Helena Crowder)	
2.0	September 1, 2019	Added safety-critical two-track model in response to 2019 OEM customer audit findings	Walter	Finch
2.1	February 12, 2020	Updated supplier status definitions; added repeat-offender tracking	Walter	Finch
3.0	January 10, 2022	Major revision; restructured disposition into three independent axes (quantity, condition, documentation); added precedence rule	Walter Finch	
3.1	August 5, 2023	Added concealed damage Tier 4 procedure following internal incident review	Walter	Finch
3.2	June 18, 2024	Updated dollar-value escalation thresholds; added uncertainty escalation provision	Walter	Finch
4.0	January 5, 2025	Comprehensive revision; added timing reference table; added error recovery procedures (Sections 13.5–13.7); added Critical NCR review requirement	Walter Finch	
4.1	September 22, 2025	Added inter-plant transfer modifications (Section 17.4); added DTL handling (Section 17.3)	Walter	Finch
4.2	February 1, 2026	Added customer return redirect procedure (Section 17.5); revised hazmat documentation requirements; consolidated prohibitions into Section 21	Walter Finch	

22.3 Review and Approval Process

This document is reviewed annually by the Document Owner (Elizabeth Velasquez). Reviews assess whether procedures still reflect actual practice, whether escalation thresholds remain appropriate, whether named contacts are current, and whether new edge cases identified during the prior year should be incorporated.

Changes to this document follow this process:

1. **Proposal:** Anyone may propose a change by emailing the Document Owner with the format SOP-LOG-MER-02 Change Proposal: [Brief description]. Changes proposed by Coordinators based on real operational experience are particularly welcomed.
2. **Review:** The Document Owner evaluates the proposal in consultation with the Quality and Procurement reviewers.
3. **Draft:** Approved changes are drafted into the next document version.
4. **Stakeholder review:** The draft is circulated to Walter Finch (Plant Manager), Theo Brandt (Quality), Joon-ho Park (Procurement), Darnell Hooks (Receiving Supervisor), and any other affected role.

5. **Approval:** Walter Finch approves the new version in writing.
6. **Effective date:** The new version takes effect on a defined date, typically 14 days after approval, with notification to all Coordinators and a brief in-person walkthrough of the changes by Darnell Hooks.
7. **Archive:** The previous version is archived in \\meridian-fs01\plant_logistics\sops\archive\ and remains accessible for reference but is not the controlling document.

22.4 Off-SOP Situations

This document attempts to anticipate the situations a Coordinator will face. It will not anticipate all of them. When a situation arises that this document does not clearly address, the Coordinator follows the rule from Section 1.4:

Escalate to the Receiving Supervisor (Darnell Hooks) before acting. Do not improvise.

After the situation is resolved, if the Coordinator believes the situation is one that will recur, they should propose a document change per Section 22.3 so that the next Coordinator has guidance. #23. Email Templates and Letters

This section contains every email template and supplier letter template referenced elsewhere in this document. Templates must be used as written. The Coordinator personalizes the greeting only and replaces every [bracketed placeholder] with confirmed information from the relevant workbooks before sending. **Do not send a template that contains unfilled placeholders.** Sending a template with [Supplier Name] still in the body is one of the most embarrassing supplier-facing errors a Coordinator can make and is reviewable in the quarterly audit.

All templates use the standard sign-off:

Best regards,
Inbound Materials Coordinator Gear
Systems Inc. – Meridian Plant
receiving.meridian@gearsystems.com

Templates are grouped by purpose:

- **Templates 1–4:** Arrival and dock-side communications
- **Templates 5–7:** Refusal and rejection
- **Templates 8–12:** Documentation requests
- **Templates 13–15:** NCR letters by severity
- **Templates 16–17:** NCR follow-up and reinstatement
- **Templates 18–22:** Special-case communications
- **Templates 23–28:** Internal Slack post formats (consolidated)
- **Templates 29–30:** Acknowledgements and miscellaneous

Templates 1–4: Arrival and Dock-Side Communications

Template 1 — Late Arrival Released

Used in Section 8.5.3 when Darnell Hooks instructs the Coordinator to release a severely-late carrier without unloading.

Subject: Shipment Released Without Unload — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to confirm that the shipment under PO #[PO Number], scheduled for delivery to our Meridian, MS plant on [Scheduled Date] within the [Window Start]-[Window End] CST window, arrived at [Actual Arrival Time] CST – approximately [Hours] hours after the scheduled window.

Due to the lateness of arrival relative to our remaining shift capacity, we were unable to receive the shipment today. The carrier ([Carrier Name]) has been released without unloading.

Please coordinate with [Carrier Name] and our Procurement team (Joon-ho Park, joonho.park@gearsystems.com) to reschedule delivery. A new dock appointment will be required.

Please note that repeated late arrivals are tracked under our supplier performance program. If you anticipate further delivery delays, advance notice to our Procurement team is appreciated and helps us avoid this situation.

[Standard sign-off]

Template 2 — Unscheduled Arrival Notice

Used in Section 8.6.1 after a no-appointment shipment has been processed with supervisor approval.

Subject: Unscheduled Arrival Notice — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to confirm that we received your shipment under PO #[PO Number] today, [Date]. The shipment was processed and is now in our system.

I want to bring to your attention that this shipment arrived at our Meridian receiving dock without a scheduled appointment in our system. We were able to accommodate the receipt today, but I'd like to remind you that all inbound shipments to Meridian require a confirmed dock appointment in advance.

To schedule appointments for future shipments, please contact our Procurement team (Joon-ho Park, joonho.park@gearsystems.com) at least two business days before your planned ship date. This helps us allocate dock capacity and ensures your driver is not delayed on arrival.

Thank you for your continued partnership.

[Standard sign-off]

Template 3 — Shipment Refused at Dock

Used in Section 8.7 for general refusals (not for Tier 3 damage refusals — see Template 5).

Subject: Shipment Refused at Receiving — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to inform you that the shipment delivered to our Meridian, MS plant to day, [Date], under PO #[PO Number], has been refused at the receiving dock and has been returned to the carrier ([Carrier Name]) without unloading.

Reason for refusal: [Specific reason – e.g., "PO #[Number] is not on file in our active purchase order system" / "The shipment did not match any open purchase order" / "Required documentation was not provided at delivery"]

The carrier paperwork has been annotated to reflect the refusal. Please coordinate with [Carrier Name] regarding the disposition of the returned material.

If you believe this refusal was made in error, please contact our Procurement team (Joon-ho Park, joonho.park@gearsystems.com) for review. Note that I do not have the authority to reverse a dock refusal, and material that has departed the Meridian site cannot be returned to receiving without a new appointment and resolution of the underlying issue.

[Standard sign-off]

Template 4 — Shipment Against Cancelled PO

Used in Section 9.2.2 when a shipment arrives against a PO that has been cancelled.

Subject: Shipment Refused — PO #[PO Number] Cancelled — [Date]

Hi [Supplier Contact First Name],

I'm writing to inform you that the shipment delivered to our Meridian, MS plant to day, [Date], under PO #[PO Number], has been refused at the receiving dock.

Our records indicate that PO #[PO Number] was cancelled on [Cancellation Date]. The cancellation should have been communicated to you by our Procurement team. If you did not receive a cancellation notice, please contact Joon-ho Park (joonho.park@gearsystems.com) immediately so the discrepancy can be reviewed.

The shipment has been returned to the carrier ([Carrier Name]) without unloading. Please coordinate with the carrier regarding disposition of the material.

[Standard sign-off]

Templates 5–7: Refusal and Rejection

Template 5 — Tier 3 Refusal (Catastrophic Damage)

Used in Section 11.6 for catastrophic damage events. Requires Walter Finch acknowledgement before sending if dollar value exceeds \$100,000 (Section 16.1).

Subject: Shipment Refused Due to Damage on Arrival — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to inform you that the shipment delivered to our Meridian, MS plant on [Date], under PO #[PO Number], has been refused due to catastrophic damage observed on arrival.

Details of the affected shipment:

- PO Number: [PO Number]
- Carrier: [Carrier Name]
- Arrival Date/Time: [Date/Time CST]
- SKU(s) affected: [List]
- Quantity affected: [Quantity]
- Approximate value: \$[Amount]

Description of damage: [Specific factual description of the damage observed – do not speculate on cause]

Photos documenting the condition of the shipment on arrival have been retained on file and are available on request.

This shipment has been returned to the carrier ([Carrier Name]) without unloading. Our Quality team is reviewing the situation and may follow up with a formal Nonconformance Report. We may also be filing a carrier claim with [Carrier Name] if the damage is determined to have occurred in transit.

Please contact our Procurement team (Joon-ho Park, joonho.park@gearsystems.com) to coordinate replacement and to discuss any commercial implications.

[Standard sign-off]

Template 6 — Carrier Claim Initiation

Used in Section 11.6.3. Sent to the carrier, not the supplier.

Subject: Carrier Claim Initiation — BOL #[BOL Number] — [Date]

To: [Carrier Claims Department]

This email serves as formal notice of initiation of a freight damage claim by Gear Systems Inc. – Meridian Plant against [Carrier Name] for damages observed at delivery.

Claim Details:

- Shipper: [Supplier Name]
- Consignee: Gear Systems Inc., Meridian, MS
- BOL Number: [BOL Number]
- Carrier Pro Number: [Pro Number if available]

- Pickup Date (per BOL): [Date]
- Delivery Date: [Date]
- PO Number: [PO Number]
- SKU(s) affected: [List]
- Quantity affected: [Quantity]
- Estimated value of damaged goods: \$[Amount]

Description of damage: [Factual description]

Cause assessment: The damage appears consistent with [in-transit handling / impact / moisture exposure / other]. The shipment showed [specific condition] on arrival, which is inconsistent with proper transit handling.

Attached:

- Photos of the damaged shipment
- BOL with damage notation
- Packing slip
- Itemized list of damaged units with values

Please acknowledge receipt of this claim within 3 business days and provide a claim number for tracking purposes. Direct all correspondence regarding this claim to receiving.meridian@gearsystems.com with CC to joonho.park@gearsystems.com.

[Standard sign-off]

Template 7 — Concealed Damage NCR

Used in Section 11.7. This is the supplier-facing notification; the formal NCR letter (Templates 13–15) is sent separately.

Subject: Concealed Damage Discovered — PO #[PO Number] — NCR-MER-[Year]-[Number]

Hi [Supplier Contact First Name],

I'm writing to notify you of concealed damage discovered on a shipment received under PO #[PO Number] on [Original Receipt Date]. The damage was identified on [Discovery Date] during [putaway / line staging / first use].

Details:

- Original PO Number: [PO Number]
- Original Receipt Date: [Date]
- Days from receipt to discovery: [N business days]
- SKU(s) affected: [List]
- Quantity affected: [Quantity]
- Heat number(s) (if safety-critical): [List]

Description of concealed damage: [Factual description]

This discovery falls within our 10-business-day concealed damage window. A formal Nonconformance Report (NCR-MER-[Year]-[Number]) will follow under separate cover.

Photos and supporting documentation are on file and available on request. The affected material has been [quarantined in our Q-HOLD location / removed from production].

Please review and respond to the formal NCR within the response window indicated in that document.

[Standard sign-off]

Templates 8–12: Documentation Requests

Template 8 — Missing Packing Slip Request

Used in Section 12.4.1.

Subject: Missing Packing Slip Request — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to request a copy of the packing slip for the shipment received at our Meridian, MS plant today under PO #[PO Number]. The physical packing slip was not present in the carrier paperwork at delivery, and I do not have an electronic copy on file.

Details:

- PO Number: [PO Number]
- Carrier: [Carrier Name]
- Receipt Date: [Date]
- Receipt ID (for our reference): REC-[ID]

Please send the packing slip as a PDF attachment to receiving.meridian@gearsystems.com at your earliest convenience. We have provisionally accepted the shipment based on the BOL piece count, but our records cannot be finalized until we have the packing slip on file.

Please respond within 5 business days.

[Standard sign-off]

Template 9 — BOL Reissue Request

Used in Section 12.4.2. Sent to the carrier, not the supplier.

Subject: BOL Reissue Request — Pickup [Date] — [Supplier Name]

To: [Carrier Operations]

I'm writing to request a reissued copy of the Bill of Lading for a shipment delivered to our Meridian, MS plant under the following details:

- Shipper: [Supplier Name]
- Consignee: Gear Systems Inc., Meridian, MS
- Pickup Date: [Approximate Date]

- Delivery Date: [Date]
- PO Number (per packing slip): [PO Number]
- Carrier Pro Number (if known): [Number]

The original BOL was not provided to the receiving Coordinator at delivery. Please reissue and send a PDF copy to receiving.meridian@gearsystems.com.

Receipt of this material is currently held pending the BOL. Please respond as soon as possible.

[Standard sign-off]

Template 10 — Missing COC, Safety-Critical Hold

Used in Section 12.5.1.

Subject: Safety-Critical Hold — Missing Certificate of Conformance — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to inform you that the shipment received at our Meridian, MS plant today under PO #[PO Number] has been placed on quality hold pending receipt of the Certificate of Conformance (COC).

Details:

- PO Number: [PO Number]
- Receipt Date: [Date]
- Receipt ID: REC-[ID]
- SKU(s) affected: [List]
- Quantity affected: [Quantity]

This shipment includes safety-critical parts. Per our quality requirements, safety-critical parts cannot be released into our production stream without a valid Certificate of Conformance covering the specific PO, SKU, and quantity in this shipment.

The material is currently in our quarantine location and will remain on hold until the COC is received and verified. ****Please send the COC as a PDF attachment to receiving.meridian@gearsystems.com within 5 business days.****

If the COC is not received within the 5-business-day window, the shipment will be subject to refusal and return to your facility, and a Critical Nonconformance Report will be issued.

This communication is also being copied to our Quality Manager (Theo Brandt, theo.brandt@gearsystems.com) and our Procurement Lead (Joon-ho Park, joonho.park@gearsystems.com).

[Standard sign-off]

Template 11 — Missing MTR Request

Used in Section 12.5.2.

Subject: Mill Test Report Request — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to request the Mill Test Report (MTR) for the shipment received at our Meridian, MS plant today under PO #[PO Number].

Details:

- PO Number: [PO Number]
- Receipt Date: [Date]
- Receipt ID: REC-[ID]
- SKU(s): [List]
- Heat numbers observed on parts/pallets: [List as reported by Dock Crew]

The MTR was not present in the carrier paperwork and is not in our electronic records for this PO. Per our quality requirements, safety-critical parts in part families [AX/DS/TR/BR/FS/FG] require an MTR documenting the chemical and mechanical properties of the source heat(s) of steel.

The material is currently in quarantine pending receipt of the MTR. Please send the MTR as a PDF attachment to receiving.meridian@gearsystems.com within 5 business days.

The MTR must list the heat numbers shown above and must be from the original mill that produced the steel.

This communication is also being copied to our Quality Manager (Theo Brandt, theo.brandt@gearsystems.com).

[Standard sign-off]

Template 12 — Heat Number Mismatch, Safety-Critical Hold

Used in Section 12.6.3.

Subject: Heat Number Mismatch — Safety-Critical Hold — PO #[PO Number] — [Date]

Hi [Supplier Contact First Name],

I'm writing to notify you of a heat number discrepancy identified on the shipment received at our Meridian, MS plant today under PO #[PO Number].

Details:

- PO Number: [PO Number]
- Receipt Date: [Date]
- Receipt ID: REC-[ID]
- SKU(s): [List]
- Quantity affected: [Quantity]

Heat numbers identified on the physical parts (per receiving inspection): [List]

Heat numbers listed on the Mill Test Report (per the MTR provided): [List]

These two lists do not match. This indicates that either the parts in this shipment do not correspond to the MTR provided, or the MTR does not cover all heats present in the shipment.

Per our quality requirements, safety-critical parts cannot be released into production without a verified, unbroken traceability chain from heat number to MTR. This shipment has been placed in our quarantine location pending resolution.

Please provide one of the following within 3 business days:

- A corrected or supplemental MTR covering all heat numbers identified on the parts, OR
- Confirmation that the shipment was incorrectly labeled and a corrected packing slip identifying the actual heat numbers and the corresponding MTR

A Critical Nonconformance Report is being issued in parallel with this communication.

This communication is being copied to our Quality Manager (Theo Brandt, theo.brandt@gearsystems.com), Procurement Lead (Joon-ho Park, joonho.park@gearsystems.com), and Plant Logistics Manager (Elizabeth Velasquez, Elizabeth.velasquez@gearsystems.com).

[Standard sign-off]

Templates 13–15: NCR Letters by Severity

NCR letters are formal supplier communications. They are drafted in Word using these templates, saved as PDF, and attached to an email per Section 14.4.4. The email body uses the same content as the template (minus the formal letterhead) so the supplier sees the same content in two forms.

Template 13 — NCR Letter, Minor Severity

GEAR SYSTEMS INC. — MERIDIAN PLANT
NONCONFORMANCE REPORT — MINOR

NCR Number: NCR-MER-[Year]-[Number]

Issue Date: [Date]

Severity: MINOR

To: [Supplier Name]

Attn: [Quality Contact / Commercial Contact]

[Supplier Address]

Re: Nonconformance under PO #[PO Number]

Dear [Supplier Contact],

This Nonconformance Report (NCR) documents a quality concern identified during receipt of materials at the Gear Systems Inc. Meridian, MS plant. This NCR is classified as MINOR severity, indicating that the nonconformance does not prevent use of the material and does not pose a quality, safety, or regulatory risk. It is documented for the historical record and supplier scoring.

Affected Shipment:

- PO Number: [PO Number]
- Receipt Date: [Date]
- Receipt ID: REC-[ID]
- SKU(s): [List]
- Quantity affected: [Quantity]
- Dollar value: \$[Amount]

Nonconformance Type: [QTY / DMG / DOC / SUB / PKG / SUP / MIX]

Description of Nonconformance:

[Factual description of what was observed, with reference to specific quantities, conditions, or documentation gaps. Do not speculate on cause.]

Disposition: [Accepted / Accepted with notation / Returned / Other]

Required Supplier Response:

Please provide a written response within 15 business days of the date of this NCR.

Your response should include:

1. Acknowledgement of the nonconformance
2. Root cause analysis (if known)
3. Corrective action being taken to prevent recurrence
4. Any commercial response (credit, replacement, etc., if applicable)

Response Due Date: [Date – 15 business days from issue date]

Please direct your response to receiving.meridian@gearsystems.com with copies to the contacts listed below.

Issued by:

Inbound Materials Coordinator Gear
Systems Inc. – Meridian Plant
receiving.meridian@gearsystems.com

CC: Joon-ho Park (Procurement), Theo Brandt (Quality), Darnell Hooks (Receiving Supervisor)

Template 14 — NCR Letter, Major Severity

GEAR SYSTEMS INC. – MERIDIAN PLANT
NONCONFORMANCE REPORT – MAJOR

NCR Number: NCR-MER-[Year]-[Number]
Issue Date: [Date]
Severity: MAJOR

To: [Supplier Name]
Attn: [Quality Contact]
[Supplier Address]

Re: Nonconformance under PO #[PO Number]

Dear [Supplier Contact],

This Nonconformance Report (NCR) documents a quality concern identified during receipt of materials at the Gear Systems Inc. Meridian, MS plant. This NCR is classified as MAJOR severity, indicating that the nonconformance requires action – quarantine, supplier corrective action, and/or material return.

Affected Shipment:

- PO Number: [PO Number]
- Receipt Date: [Date]
- Receipt ID: REC-[ID]
- SKU(s): [List]
- Quantity affected: [Quantity]
- Dollar value: \$[Amount]
- Safety-Critical: [Y/N]

Nonconformance Type: [QTY / DMG / DOC / SUB / PKG / SUP / MIX]

Description of Nonconformance:

[Factual description with specific quantities, conditions, and references to supporting evidence. Reference photo filenames, packing slip details, and any other documentation. Do not speculate on cause.]

Disposition: [Quarantined in Q-HOLD / Accepted with NCR / Returned / Other]

Required Supplier Response:

A formal written response is required within 10 business days of the date of this NCR. Your response must include:

1. Acknowledgement of the nonconformance
2. Root cause analysis with supporting evidence
3. Corrective action plan with target completion dates
4. Containment actions taken to prevent additional shipments with the same issue
5. Commercial response: credit memo, replacement shipment, or return authorization, as appropriate

Response Due Date: [Date – 10 business days from issue date]

Please direct your response to receiving.meridian@gearsystems.com with copies to all contacts listed below. Note that until your response is received and accepted,

the affected material will remain in our quarantine hold and any associated production schedule impact may be your commercial responsibility.

Issued by:
Inbound Materials Coordinator Gear
Systems Inc. – Meridian Plant
receiving.meridian@gearsystems.com

CC: Joon-ho Park (Procurement), Theo Brandt (Quality), Darnell Hooks (Receiving Supervisor), Elizabeth Velasquez (Plant Logistics Manager)

Template 15 — NCR Letter, Critical Severity

Critical NCR letters require Theo Brandt's review before sending (Section 14.4.3).

GEAR SYSTEMS INC. – MERIDIAN PLANT
NONCONFORMANCE REPORT – CRITICAL

NCR Number: NCR-MER-[Year]-[Number]
Issue Date: [Date]
Severity: CRITICAL

To: [Supplier Name]
Attn: [Quality Contact and Commercial Lead]
[Supplier Address]

Re: Critical Nonconformance under PO #[PO Number]

Dear [Supplier Contact],

This Nonconformance Report (NCR) documents a CRITICAL quality concern identified during receipt of materials at the Gear Systems Inc. Meridian, MS plant. A Critical NCR indicates that the nonconformance affects safety-critical parts, traceability, or regulatory compliance, and requires immediate supplier attention. This event may result in customer notification and may affect your supplier status with Gear Systems.

Affected Shipment:

- PO Number: [PO Number]
- Receipt Date: [Date]
- Receipt ID: REC-[ID]
- SKU(s): [List]
- Quantity affected: [Quantity]
- Dollar value: \$[Amount]
- Safety-Critical: YES
- Heat number(s) involved: [List]

Nonconformance Type: [QTY / DMG / DOC / HEAT / SUB / SUP]

Description of Nonconformance:

[Detailed factual description. For heat number issues, list specific mismatches. For documentation failures, identify the missing or invalid document. For damage, describe the condition with reference to photo evidence. For unauthorized substitutions, identify the ordered SKU and the received SKU. Do not speculate on cause; report only what was observed.]

Immediate Containment Action by Gear Systems:

The affected material has been [quarantined in our Q-HOLD location / refused at the dock and returned to carrier / [other]]. All material associated with this shipment is held pending resolution and will not be released into production under any circumstances until the nonconformance is fully resolved and Quality has authorized release.

Required Supplier Response:

A formal written response is required within 3 business days of the date of this NCR. Your response must include:

1. Immediate acknowledgement of the nonconformance and the Critical severity
2. Containment actions to prevent any additional shipments with the same issue, effective immediately
3. Root cause analysis with supporting evidence and timeline
4. Corrective action plan with target completion dates and verification method
5. A formal commercial response addressing the affected material
6. A statement of any other Gear Systems shipments potentially affected by the same root cause

Response Due Date: [Date – 3 business days from issue date]

Please direct your response immediately to receiving.meridian@gearsystems.com and to all contacts listed below.

Note: This Critical NCR is being escalated within Gear Systems' management chain. You may receive direct contact from our Quality Manager (Theo Brandt) or our Plant Manager (Walter Finch) regarding the path forward.

Issued by:

Inbound Materials Coordinator Gear
Systems Inc. – Meridian Plant
receiving.meridian@gearsystems.com

Reviewed and approved for issuance by:

Theo Brandt, Quality Manager – Meridian Plant
theo.brandt@gearsystems.com

CC: Joon-ho Park (Procurement), Darnell Hooks (Receiving Supervisor), Elizabeth Velasquez (Plant Logistics Manager), Walter Finch (Plant Manager)

Templates 16–17: NCR Follow-Up and Reinstatement

Template 16 — NCR Reminder, Minor

Used in Section 14.5.1 for Minor NCRs that are 1–5 business days overdue.

Subject: Reminder — NCR-MER-[Year]-[Number] Response Past Due Hi

[Supplier Contact First Name],

This is a reminder that NCR-MER-[Year]-[Number], issued on [Issue Date] regarding PO #[PO Number], requires your written response. The original response due date was [Due Date], which is now [N] business days past.

Please provide your response – root cause, corrective action, and any applicable commercial response – to receiving.meridian@gearsystems.com at your earliest convenience.

If you require additional information from us to complete your response, please let me know.

[Standard sign-off]

Template 17 — Heat Number Reinstatement Form

Used in Section 14.7.1 when releasing a quarantine for a heat number mismatch. This template is a form for Theo Brandt to sign rather than a supplier-facing email.

GEAR SYSTEMS INC. – MERIDIAN PLANT
HEAT NUMBER REINSTATEMENT FORM

Receipt ID: REC-[ID]
Original Quarantine Date: [Date]
Reinstatement Date: [Date]
PO Number: [PO Number]
Supplier: [Supplier Name]
SKU(s): [List]
Quantity: [Quantity]

Original Issue (per Section 12.6.3):
Heat numbers identified on parts: [List]
Heat numbers on original MTR: [List]
Mismatch identified: [Specific description]

Resolution:
[Description of how the mismatch was resolved – corrected MTR received, supplier confirmation of relabeling, etc.]

Supporting Documentation:
- Corrected MTR filename: [Filename]
- Supplier correspondence: [Email date(s)]
- Theo Brandt's quality determination: [Brief summary]

Reinstatement Authorization:

I, Theo Brandt, Quality Manager of the Gear Systems Meridian Plant, authorize the release of the above material from quarantine. The traceability chain has been verified and is acceptable for use in production.

Signed: _____

Theo Brandt, Quality Manager

Date: [Date]

Coordinator Acknowledgement:

Inbound Materials Coordinator initials: _____

Date: [Date]

NCR closure status: [NCR Number] marked Resolved per this reinstatement.

Templates 18–22: Special-Case Communications

Template 18 — New SKU Confirmation Request to Inventory Control

Used in Section 13.2 when a SKU received does not exist in inventory_master.xlsx.

Subject: New SKU Setup Request — REC-[ID] — [SKU]

Hi Maribel,

A new SKU was received today that does not have an existing entry in inventory_master.xlsx. Please create the master record so I can complete the receipt.

Receipt details:

- Receipt ID: REC-[ID]
- PO Number: [PO Number]
- Supplier: [Supplier Name]
- SKU: [SKU]
- SKU description (per packing slip): [Description]
- Quantity received: [Quantity]
- Safety-Critical: [Y/N]
- Suggested location: [Location, if known from packing slip or PO]

Material is currently held in the receiving area pending master record creation. Please confirm when the row has been added.

Thanks,

[Coordinator Initials]

Template 19 — Supplier Acknowledgement Request

General-purpose template for situations where the Coordinator needs the supplier to confirm something in writing without involving an NCR.

Subject: Acknowledgement Requested — [Topic] — PO #[PO Number]

Hi [Supplier Contact First Name],

I'm writing to request your written acknowledgement of the following regarding PO #[PO Number]:

[Specific item requiring acknowledgement – e.g., "the substitution of SKU [Original] for SKU [New] as discussed with Procurement on [Date]" / "the revised delivery schedule for the remaining open lines on this PO"]

Please reply to confirm by [Date]. If we do not receive your acknowledgement by that date, [consequence – e.g., "we will proceed under the original PO terms" / "we will need to escalate to our Procurement team"].

[Standard sign-off]

Template 20 — Repeat-Offender Notification (Internal)

Used in Section 15.3.1 when a repeat-offender threshold is met. This is an internal email to Joon-ho Park and other named owners.

Subject: Repeat-Offender Threshold Met — [Supplier Name] — [Date]

Hi Joon-ho [+ Theo / Elizabeth as applicable],

I'm flagging that [Supplier Name] (Supplier ID [SUP-NNNN]) has met a repeat-offender threshold per Section 15.3 of SOP-LOG-MER-02.

Threshold met: [Specific threshold from the Section 15.3 table]

NCR history (rolling 90 days, or 180 for Suspension review):

- NCR-MER-[Year]-[Number]: [Date], [Severity], [Type], \$[Amount], [Brief]
- NCR-MER-[Year]-[Number]: [Date], [Severity], [Type], \$[Amount], [Brief]
- [Continue list]

Latest NCR: NCR-MER-[Year]-[Number] (issued today / [Date])

Recommendation per Section 15.3: [Notify only / Probation review / Suspension review]

I have also posted this in #escalations-meridian for visibility. Please advise on supplier status review.

Thanks,
[Coordinator Initials]

Template 21 — Hazmat Documentation Request

Used in Section 17.1.2 when a hazmat shipment arrives without complete documentation but the supplier may be able to produce it electronically within 1 hour.

Subject: URGENT — Hazmat Documentation Required — PO #[PO Number] — Truck Holding

Hi [Supplier Contact First Name],

A hazmat shipment under PO #[PO Number] has arrived at our Meridian, MS receiving dock without complete required documentation.

Missing items:

- [SDS for SKU [SKU]] / [Hazmat manifest] / [DOT-compliant labeling – please confirm]

The truck is currently holding at our facility and cannot be unloaded until the required documentation is in hand. Please send the missing documentation as PDF attachments to receiving.meridian@gearsystems.com ****within 1 hour**** of receipt of this email.

If you cannot produce the documentation within 1 hour, the shipment will be refused and returned to the carrier. Please contact me immediately if you anticipate any difficulty meeting this deadline.

This issue is being managed in coordination with our EHS team (Chris Wojciechowski) and Procurement (Joon-ho Park).

[Standard sign-off]

Template 22 — Inter-Plant Transfer NCR Notification

Used in Section 17.4.1 when issuing an NCR against a sister Gear Systems plant. The NCR letter (Templates 13–15) is also sent, but this template is the cover communication routed to the sending plant's logistics manager.

Subject: Inter-Plant NCR Issued — [Sending Plant] to Meridian — NCR-MER-[Year]-[Number]

Hi [Sherri / Anand],

I'm issuing a Nonconformance Report against an inter-plant transfer received at Meridian today from [Birmingham / Pittsburgh]. The formal NCR letter is attached.

Summary:

- Receipt ID: REC-[ID]
- Sending Plant: [Birmingham / Pittsburgh]
- PO Number: [PO Number]
- SKU(s): [List]
- Quantity: [Quantity]
- Issue: [Brief description]
- Severity: [Minor / Major / Critical]
- Dollar value: \$[Amount]

Per Section 17.4 of our receiving SOP, inter-plant NCRs are routed to the sending plant's logistics manager rather than to a supplier contact. Please review the attached NCR letter and respond per the timeline indicated.

Hi [Supplier Contact First Name],

I'm also CCing Theo Brandt (Quality) and Elizabeth Velasquez (Plant Logistics) on

this notification.

Thanks,
[Coordinator Initials]

Templates 23–28: Slack Post Formats

These are not email templates but standardized Slack post formats consolidated here for reference. Each is also embedded in the relevant procedural section.

Template 23 — Daily Dock Preview Post

Used in Section 8.1.

DAILY DOCK PREVIEW [MM/DD/YYYY]: [N] appointments scheduled. Hazmat: [list of Appointment_IDs or "none"]. Oversize/special: [list or "none"]. Largest expected shipment: [Supplier_Name], [Weight] lb at [Time].

Template 24 — Putaway Authorization Post

Used in Section 13.4.

PUTAWAY AUTHORIZED: REC-[ID], [Supplier_Name], [N] lines.

- Line 001: [SKU], [Qty] units → [Location]
- Line 002: [SKU], [Qty] units → [Location]
- Line 003: [SKU], [Qty] units → [Q-HOLD] [QUARANTINE – reason]
- [...]

Coordinator: [Initials]

Template 25 — Standard Dollar-Value Escalation Post

Used in Section 16.4.1.

ESCALATION – DOLLAR VALUE [TIER]: REC-[ID], [Supplier_Name], PO #[Number], [Brief Issue Description]. Dollar value: \$[Amount]. Disposition: [QUARANTINE / REFUSED / ACCEPTED WITH NCR]. NCR: [NCR Number]. Awaiting [acknowledgement / response] from [Owner Name].

Template 26 — Severity Override Escalation Post

Used in Section 16.4.2.

ESCALATION – OVERRIDE [TYPE]: REC-[ID], [Supplier_Name], PO #[Number]. Trigger: [Heat number mismatch / Traceability event / Suspended supplier / etc.]. [Brief description]. Dollar value: \$[Amount]. Disposition: [QUARANTINE / REFUSED / etc.]. NCR : [NCR Number or "pending"]. Awaiting guidance from [Owner Name(s)].

Template 27 — Top-Tier Escalation Post

Used in Section 16.4.4.

TOP-TIER ESCALATION: REC-[ID], [Supplier_Name], PO #[Number], [Brief Issue]. Dollar value: \$[Amount]. Disposition: [...]. NCR: [...]. Production impact: [Line-down risk Y/N, with details]. Customer impact: [Y/N, with details if known]. Photos/doc

s: [folder path]. Holding all supplier communication and physical action pending Walter Finch acknowledgement.

Template 28 — End-of-Shift Handoff Post

Used in Section 18.4.

END-OF-SHIFT HANDOFF [MM/DD/YYYY] – Coordinator: [Initials]

Receipts completed today: [N]
Receipts open at handoff: [N]
NCRs issued today: [N] ([breakdown by severity])
Quarantines applied today: [N]
Escalations open: [N]

OPEN RECEIPTS:

- REC-[ID]: [One-line status, see Handoff_Notes in receiving log for detail]
- REC-[ID]: [One-line status]
- [...]

OPEN NCRs AWAITING COORDINATOR ACTION:

- NCR-MER-[Year]-[Number]: [One-line status]
- [...]

OPEN ESCALATIONS:

- REC-[ID], \$[Amount], [Tier], awaiting [Owner Name] since [Time]
- [...]

QUARANTINE STATUS:

- Q-HOLD currently holds [N] entries totaling approximately \$[Amount]. Re-inspections scheduled: [list of Receipt_IDs and dates].

NOTES FOR TOMORROW:

- [Anything else]

Templates 29–31: Acknowledgements and Miscellaneous

Template 29 — Supplier Response Acknowledgement

Used when a supplier provides a response to an NCR. This acknowledges receipt without committing to acceptance, which is the closer's decision (Section 14.8).

Subject: Response Received — NCR-MER-[Year]-[Number]

Hi [Supplier Contact First Name],

Thank you for your response to NCR-MER-[Year]-[Number]. I have received your message and forwarded it to the appropriate Gear Systems team for review:

- For technical/quality matters: Theo Brandt, Quality Manager

- For commercial matters: Joon-ho Park, Procurement Lead

The NCR will remain in Open status pending their review and decision. You can expect a follow-up communication from one of them within the standard review window.

If you have additional information to provide in the meantime, please reply to this email and I will ensure it is added to the file.

[Standard sign-off]

Template 30 — General Internal Coordinator-to-Coordinator Handoff

Used when one Coordinator hands off a specific in-progress item to another Coordinator (e.g., during a coverage situation or shift swap).

Subject: Handoff — REC-[ID] — Action Required

Hi [Coordinator Name],

I'm handing off the following in-progress receipt to you:

- Receipt ID: REC-[ID]
- PO Number: [PO Number]
- Supplier: [Supplier Name]
- Current status: [Status from receiving log]
- Where I left off: [Specific section/step]

What you need to do next:

1. [Specific action]
2. [Specific action]
3. [Specific action]

Relevant references:

- Receiving log row: see REC-[ID]
- NCR (if any): NCR-MER-[Year]-[Number]
- Photos: [Folder path]
- Slack history: [Channel and approximate time]

Awaiting:

- [What we are waiting for, from whom, and the deadline]

Other context:

[Anything else the receiving Coordinator needs to know]

Please confirm receipt of this handoff.

Thanks,

[Coordinator Initials]

Template 31 — General Internal Request

Used when the Coordinator needs specific information, photos, or supporting documentation from an internal colleague before proceeding with a disposition, NCR, or other in-progress item. Delete all list line items that do not apply. Not for supplier-facing requests.

Subject: Information Request — REC-[ID]

Hi [First Name],

I need the following to proceed with a receiving item. Please respond as soon as possible.

This relates to:

- Re-inspection completed today on REC-[ID]
- Inbound receipt under PO #[PO Number], received today
- Discrepancy reported in #receiving-dock for REC-[ID]
- In-progress NCR – NCR-MER-[Year]-[Number]

Please provide:

- Photos of all affected units (all damage angles)
- Written description: count of affected units, location and nature of damage, any other observations
- Physical on-hand count at current storage location
- Document copy: COC / MTR / packing slip

Needed to complete:

- Receiving log amendment
- Error log filing
- Transfer

Thanks,

[Coordinator Initials]