

Shipping Documentation Terms & Notes

A commercial invoice or a pro-forma invoice is required for all exports. Unless the item is personally owned, you will need a pro forma invoice. This is used for export and import clearance, to determine duties and taxes, and for other regulatory requirements.

If you're using the online system of an expeditor such as FedEx or UPS, the information you provide to them will automatically populate the fields of a pro forma invoice at the end of the process.

If you're not using an expeditor's online system, you will need to create your own pro forma invoice.

Whether you're using the online system of an expeditor or completing it manually, review the template to understand all the data elements required prior to attempting to complete the invoice.

Pro Forma Invoice Data Elements

Date of Exportation: the date the invoice is created

Export Reference Number: a unique number created by the shipper that will not be duplicated to be used for export filing and record keeping requirements.

Shipper/Exporter: the complete name, address, and phone number of the ship from party/company, including country.

Consignee or Importer of Record: the complete name, address, and phone number of the ship to party/company, including country.

Country of Ultimate Destination: final destination country of goods being shipped

Waybill Number: number from a non-negotiable transport document also known as an Airway Bill for shipments by air or a Bill of Lading for shipments using other modes of transport like truck, train or sea. The waybill is used along with various documents like the pro forma invoice, packing list, etc. for the customs declaration of proof of the freight amount billed for the goods carried.

The waybill will include **Incoterms** (terms of trade) which define who will be paying for shipping, insurance, import duties and fees. The incoterms should be determined at the time of preparing the proposal to ensure all fees have been included in the budget or discussed with the collaborator in advance of preparing the shipping documents. These terms will need to be listed on either the way bill or the pro forma invoice. When the recipient will pay the shipping and fees, the incoterms are exworks. When you, the sender, will pay the fees and handle the paperwork, the incoterms are DDP. Sometimes, your shipper will ask you to provide the specific terms; other times, the shipper will simply ask who is paying for what.

Acquiring a Waybill:

If using the online system of your expeditor, like UPS or FedEx the Waybill will be automatically populated.

If using the paper version for an expeditor you will complete a paper copy Waybill and include the Waybill number on your pro forma invoice.

If using a freight forwarder they will provide the Waybill and a Waybill number for you to fill in on your pro forma invoice.

Serial Number: manufacturer's serial number

Number of Packages

Type of Packaging/Dimensions

Description of Goods: provide a concise and detailed description of the goods being shipped. For example, if you are shipping human liver cells, do not just indicate "cells" on the invoice. Instead, indicate the specific type of cells to be shipped "human liver cells."

Country of Origin (COO): country where goods were manufactured

Harmonized System Tariff (HS) code: the internationally standardized system of names and numbers for classifying traded products. It is a 6-10 digit number. The USHTS is the US version of the Tariff Code. Improper classification can lead to duties (taxes) or fines. Can be requested from the manufacturer or your Export Control lead as part of their export control licensing determination.

Export Control Classification Number (ECCN): either an ECCN (Export Control Classification Number alphanumeric code) or ITAR Category (Roman numeral). These are US specific, determined based on technical listings in export regulations. Can be requested from the manufacturer or your Export Control lead as part of their export control licensing determination.

Quantity (QTY): number of each good being shipped

Weight: must be listed in kilograms

Unit Value/Total Value: unit/total value of the product in US dollars. No country accepts a zero dollar value. The minimum value that can be declared is \$1. If the item is not being sold, the invoice should indicate the value is for Customs purposes only, item not for sale, for research purposes only. The value of the item being shipped, must match purchase orders, contracts, or grants they are related to. Please retain records to prove the value of goods in the event the University is audited by Customs.

The value determines if there are special government filings required in the US prior to the export of the goods. Declared invoice value is the basis for any applicable duty or taxes/fees that are due in the ship-to country. Customs knows what the typical value is for goods; a low value can be a red flag for mis-declaring value. If there are any import or export penalties, the penalties are assessed against the value of the goods.

If the item was purchased then the value to be declared should be equal to the PO price or quote.

If an item was developed in-house, such as test equipment, the value should equal the cost of goods + labor or the cost of the item if it is sold.

If the item is a prototype provided free of charge, the supplier should provide the price of the item if it were to be sold.

Diversion statement “These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. law is prohibited.” If your items are being exported under an ITAR export license a different diversion statement is required, so consult with your Export Control lead. The invoice must have a signature verifying the information is correct. Many countries will not process the shipment without a signature. Additionally, many countries require that this signature is original and in blue ink.

Other Shipping Documents:

Automated Export System (AES) filing: The US government tracks exports through the Automated Export System (AES). The Electronic Export Information (EEI) must be filed through AES for exports valued over \$2500 (per HS or Schedule B code) or if an export license is required, whether the items are shipped or hand carried. A schedule B number is a US specific number that may be similar to the HS code and is used for AES filings. If an EEI is required, the AES ITN (proof of filing transaction number) must be listed on the airway bill. The export declaration EEI can be filed through a UC authorized freight forwarder or through an expediter online system.

When no EEI is required, the following low value exemption statement needs to be noted on the invoice: “30.37 (a) No EEI required - no individual Schedule B or HS number valued over \$2,500”

Shipper's Letter of Instruction: used in the process of transporting goods that have special handling requirements. It can be included as part of an Air waybill or bill of lading.

Carnets: commonly known as “Merchandise Passports”, are international customs documents that simplify customs procedures for the temporary importation of various types of goods that will return to the US within one year to countries that accept carnets. They aid in eliminating payment of duties and value-added taxes (minimum 20% in Europe, 27% in China).

Free Trade Agreement requirement: a certificate of origin is a document used to declare where the items were produced, manufactured or assembled. It is a legal requirement for certain items to qualify under Free Trade Agreements (FTA) (e.g. NAFTA, US Israel FTA, etc.) It is completed by the exporter. A local Chamber of Commerce can certify certificates of origin when provided with a commercial invoice.

Record Keeping

All shipping records must be maintained for a period of 5 years from the date of the export or 5 years from the date of expiration of the export license, whichever is longer.

The records include the commercial or pro forma invoice, waybill, export filings such as AES, any required licenses/license exceptions and associated communications, and all documents created for the shipping transaction such as items created by the University, freight forwarder, customs broker, supplier, or international collaborator. Request a copy of these documents from your shipper or print them when using an online application. Having copies of your documentation is important, because it can take months to get documents from a freight forwarder or expediter and your shipper may not keep copies of shipping records.

If US Customs or other enforcement agencies request shipping records you need to be able to produce documentation within 24-48 hours.