A Streamlined Process

Designed to Provide You With:

- **Assurance of Timely Payments**
- **Ability to Forecast Payments**
- **Reduction of Administrative Costs**

The Boeing Company
Anaheim, California
PAY FROM RECEIPT (PFR) is an improved payment process for the procurement of parts and materials that are procured by The Boeing Company – Anaheim, California.

It is a very simple process. NO NEED TO INVOICE. Upon acceptance of the product to stock, payment is automatically generated according to the payment terms of the purchase order. Invoices received that apply to PFR orders will not be processed, referenced, or returned to you.

It is important to us that you understand how the PFR process works. This booklet, prepared jointly by our Accounts Payable and Materiel functions, should provide you with that understanding. If you have further questions about the process and how it applies to your specific situation, please contact Accounts Payable at (714) 762-4352.
# Sample PFR Purchase Orders

**PLEASE NOTE:** PFR process applies ONLY TO PURCHASE ORDERS ISSUED BY Boeing - Anaheim. Purchase orders and agreements you receive from other divisions of Boeing are not included in this process.

### Example

**NOTE:** PAY FROM RECEIPT Purchase Order
No Invoice Necessary

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**The Boeing Company**
3370 Miraleoma Avenue, P.O. Box 3105
Anaheim, CA. 92803-3105

<table>
<thead>
<tr>
<th>SUPPLIER CODE</th>
<th>STA / CPA</th>
<th>VEND ORD #</th>
<th>PROCUREMENT AGENT</th>
<th>REV</th>
<th>DATE MODIFIED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Bill To:**
3370 Miraleoma Ave.
P.O. BOX 6106
Anaheim CA. 92803-6106

**Phone:**
(714) 762-0280

**Ship Via:**

**Freight Code:**

**Terms:**
S/A

**Ship To:**

**PLEASE NOTE:** “BILL TO”

### Quantities represent the number of parts or material required on Boeing Dock on date indicated

<table>
<thead>
<tr>
<th>S PART NO.</th>
<th>ITEM IDENTIFICATION</th>
<th>BOEING PART NO.</th>
<th>UM</th>
<th>UNIT PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### Invoice Approval

**P.O. Total**

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**Acceptance of the offer represented by this order is expressly limited to the provisions herein. Signing and returning the acknowledgment copy of this order (attached hereto) or, in any event, delivery in whole or in part of the articles to be furnished hereunder shall constitute acceptance of this order. This is the entire contract and no changes of any kind whatsoever are binding on Buyer unless they are in writing and signed by an authorized representative of Buyer’s Purchasing Department.**

The Boeing Company

**Effective date of this purchase order**

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Events That Create Payments Or Deductions

There are 3 events that will create payments or deductions: 1) The acceptance of product to stock, 2) Rejection, and 3) Adjustments.

1) THE ACCEPTANCE OF PRODUCT TO STOCK — Upon acceptance of the product to stock, payment is automatically generated according to the payment terms of the purchase order.

THE AMOUNT PAID will be the quantity entered by Boeing Receiving multiplied by the unit price of the purchase order item (Item Qty. x Unit Price = Amt. Pd.).

If the unit price is stated as ‘.0001’ then a zero value payment liability is created and paid (it will be shown on a check as a zero value payment).

THE PAYMENT DUE DATE (including any discount periods stated on the purchase order) will be calculated from the date the shipment is stocked at Boeing.

THE ‘INVOICE NUMBER’ used to identify our payment to you will be the last five digits of the packing slip number and the two digit purchase order line item number.

If the packing slip is missing from the shipment, Receiving will enter “MS” and a five digit number.

EXAMPLE : MS12345

If the packing slip does not contain a number, Receiving will enter “NN” and a five digit number.

EXAMPLE : NN74316

If the packing slip is not legible, Receiving will enter “NL” and a five digit number.

EXAMPLE : NL34679

OTHER INFORMATION to be shown on our Remittance Advice:

<table>
<thead>
<tr>
<th>Supplier Code</th>
<th>The Boeing Company Identification</th>
<th>The Boeing Company Identification</th>
<th>Remittance Advice (Date of Issue)</th>
<th>The Boeing Company Distributions Center</th>
<th>Date</th>
<th>Purchase Amount</th>
<th>Discount</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>9031V999981</td>
<td>031 0000011111SD 05410020 SI</td>
<td>0001234501 99 02 23</td>
<td>04-04-95</td>
<td>150.00</td>
<td>300-</td>
<td>147.00</td>
<td></td>
<td></td>
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<tr>
<td>031 0000011111SD 05410020 SI</td>
<td>0001234502 99 02 23</td>
<td>150.00</td>
<td>300-</td>
<td>147.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>031 0000011111SD 05410020 SI</td>
<td>GRAND TOTALS</td>
<td>300.00</td>
<td>600-</td>
<td>294.00</td>
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</table>

*See Reverse For Detailed Inquiries
2) REJECTION (DEDUCT) — This section of the process works exactly as it did under “The acceptance of product to stock” process.

Rejected parts or materials that are dispositioned by the buyer as Return To Supplier At Supplier Expense, or Return For Credit, will create a debit memo that will deduct from payments due the supplier. In most instances the debit memo will be deducted from the next check to the supplier.

THE AMOUNT DEDUCTED will be the quantity rejected multiplied by the applicable unit price of the purchase item (Item Qty Rejctd. x Unit Price = Amt. Deducted).

REPAYMENT will be initiated when the repaired/replaced parts or materials are stocked at Boeing. This payment will be generated on the same basis as any other stock acceptance.

3) ADJUSTMENTS — There will be occasions when it will be necessary for our Receiving department to adjust (increase or decrease) the quantity of rejected parts.

If the adjustment INCREASES the quantity of parts rejected, a debit memo will be generated. Debit memos will be deducted from the next check issued to the supplier.

If the adjustment DECREASES the quantity of parts rejected, a credit memo will be generated. Credit memos will be paid in the next check issued to the supplier.

Some Paper Invoices Are Still Required

- LOT CHARGES (i.e. source inspection, set up charges, test data, non-recurring charges, etc.)
  When there are lot charges on a PFR purchase order, bill for the lot charge only.

Tax & Freight

- Sales and Use Tax
  Boeing – Anaheim will self assess tax to Purchase Orders that are taxable.

- Freight Charges
  Freight charges will not be paid separately. Boeing – Anaheim purchase orders specify freight collect.

Packing Slips Are Significantly More Important!

Your Packing Slip becomes very important in the PFR process; not only for us to accurately receive your shipment, but also for you to be accurately paid for the material.

The following are critical elements needed on your packing slip. The items in bold type must be clearly identified and it is suggested that they also be bar coded (3 of 9 bar code format required).

- Boeing – Anaheim Purchase Order Number
- Part Number(s) (as shown on Boeing – Anaheim Purchase Order)
- Total Quantity (this shipment)
- Packing Slip Number or invoice number — we can capture up to a total of 7 characters (the last five digits of the packing slip number and the two digit purchase order line item number)

NOTE: Inquiries regarding shipments should be directed to the Boeing – Anaheim buyer. Inquiries regarding payments should be directed to Accounts Payable.
The Boeing Company
3370 Miraloma Avenue
P.O. Box 61096
Anaheim, California 92803-6196

Supplier Name ____________________________
Supplier Address __________________________

Remit Address and Discount Terms
A remit-to address and discount terms (if applicable) are required in order to implement the Pay From Receipt (PFR) process. Supplier remit address and discount terms were previously printed on the invoices.

Date: ____________

Remit Address: ____________________________

Discount Terms: ____________________________

Signature _________________________________
Print Name ________________________________
Title ________________________________
Phone ________________________________
Fax ________________________________
Email ________________________________

Boeing Use Only
Supplier Code ___________