Policies & Procedures

Agent Manual

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This Manual contains information about policies and procedures that apply to EP’s and Agent’s they employ. This Manual is not a contract for employment. All State Association, Inc., and its subsidiaries reserve the right to modify or suspend any section or provision described in this Manual at any time without prior notice to EP’s or their Agents.

DEFINITIONS

**Accessorial Charges:** Charges for services in addition to the line-haul charges, such as Driver-Assist, Layover, and Lumper.

**Cargo Claim**: A claim filed against a transportation company for payment for goods allegedly lost or damaged while the shipment was in the transportation provider's possession.

**Carrier**: A motor Carrier that is compensated for transporting freight.

**Customer**: An entity, other than a motor Carrier, who arranges or offers to arrange, the transportation of cargo by an authorized Carrier.

**Collect on Delivery (“COD”)**: Shipments where Customer pays line-haul charges at the time of delivery. Payment is required and acceptable only in the form of Com-Check, t-check, EFS, Fleet One, or Wire Transfer.

**Full-Truckload (FTL):** A full trailer shipment moving a single shipper’s product from origin to destination.

**High Value Shipment:** Any shipment with cargo exceeding $100,000 in value.

**Layover:** When a driver is detained overnight or for a 24-hour period while waiting to pick up or deliver a shipment. Fees are usually involved.

**Less-Than-Truckload (LTL):** Quantity of freight less than that required for the application of a full truckload (FTL) rate. Often a Carrier will place several LTL shipments on the same truck to reduce the cost to the shipper. Usually less than 12 linear feet and 1-6 pallets, weighing approximately 100-10,000 pounds.

**Partial Truckload:** Shipments that are larger than LTL but less than a full truck trailer, usually ranging from 8 to 18 pallets, 8,000 to 27,500 pounds, and occupy more than 12 feet of linear space in a trailer.

**Rate Confirmation:** A document that confirms the agreed upon rate, terms, and conditions for the shipment tendered. Generally, you will receive a Customer Rate Confirmation from the Customer, and you will issue a Carrier Rate Confirmation to the Carrier.

**Team (Driver Team):** Team of two drivers who alternate driving and resting. This practice is typically used for expedited shipments but will have a greater cost.

**Trans-Load:** The movement of a product from one trailer to another trailer in order to keep a shipment going.

**TRKX**: The transportation management software used by ASA for all operations, such as load data entry, create Carrier Rate Confirmations, Upload Customer Rate Confirmation, print Carrier confirmations, upload Customer confirmations, log-in load information including rates, pick-up’s and drop-offs among other features.

Section 1: Customer Relations

# **1.1. Credit Approval**

1. Agent must obtain credit approval from the Credit Compliance department before providing transportation logistics services to any new Customer or for any existing Customer whose credit information is outdated.
2. If the Customer’s credit is denied, Agent may authorize one shipment subject to chargeback in the amount of the Customer rate; if payment by Customer has not been received within 45-days from the date of invoice.
3. If the Customer’s credit is denied, Agent may request COD from Customer. All COD payments must be turned in to Credit Compliance in the current pay period. Failure to do so, will result in chargeback for the Customers rate. Failure to turn in COD payment for the following pay period, will be treated as an advance which will result in a 7.5% fee.
4. We reserve the right to revoke credit or to reduce a Customer’s credit limit due to a change in credit worthiness, pay history, or similar considerations.
5. Agent can authorize Customers that may have special billing instruction, which are usually due to billing without pods or relaying on Agent to mediate for Customer. Losses due to billing will be solely on Agent.

# **1.2 Payment Terms**

1. Agent is prohibited from agreeing to payment terms that deviate or differ from the acceptable/standard payment term (Up to 30 days) with the exception of COD payment terms. It is the absolute and sole responsibility of Agent to verify that Customer does not have different payment terms on its Rate Confirmation. Failure to comply with this provision will result in chargeback in the amount of unpaid balances owed by Customer.
2. COLLECT ON DELIVERY “COD” or WIRE TRANSFERS
3. Acceptable forms of payment are: COMCHECK, T-CHECK, EFS, FLEET-ONE, BANK WIRE TRANSFER (DO NOT ACCEPT DIRECT DEPOSIT).
4. Assure that the Customer’s confirmation discloses the payment term as COD.
5. Agent is responsible for providing to Customer, the “COD Payment – Wire Instructions,” to be obtained from Accounts Receivable.
6. Agent is responsible for ensuring that the wire-transfer clears at least 24-hours prior to scheduled delivery.
7. Verification of receipt of wire-transfer must be confirmed by Credit Compliance before Carrier is instructed to deliver the shipment.

EXPRESS CODE

1. For after-hour’s express code authorization, obtain in advance, a blank check from Credit Compliance. Upon authorization, provide the following information to Credit Compliance:
2. Load Number, Express Code, Dollar Amount, and Authorization Number.
3. If express code authorization is made on a blank check, it must be turned in to Credit Compliance within 24 hours.
4. CARRIER COD
5. A 3.5% fee applies to Carrier’s on COD payments.

# **1.3 Rate Confirmation**

1. Agent is responsible for uploading the true and correct copy of the Customer’s rate confirmation for each load booked and tendered to a Carrier.
2. It is Agent’s responsibility to verify that the Customer information on the rate confirmation matches TRKX. Beware of impostors who often use e-mail addresses, phone and fax numbers which are very similar to the actual Customers information. Failure to comply with this policy will result in chargeback to Agent for any losses that arise.
3. Agent must register each load separately pertaining to Customer reference number, and assure that the Customers reference number matches in the TRKX. Agent will occur loss if non-payment for charges occur due to multiple loads registered under one or/if reference number is incorrect.
4. If the rate confirmation has not been uploaded into TRKX upon receipt of bills of lading from the Carrier, Agent will incur a $50 fee.
5. If the Customer rate confirmation has not been uploaded by the end of the payroll period, the total office wire will be held until the following payroll. Agent reserves the right to move the load that is without a confirmation to the following month payroll period with a fee of $100. If Agent fails to upload the confirmation before the following month payroll period, the Agent will occur a chargeback of the customer’s rate amount.
6. All instructions provided on the Customer rate confirmation must be disclosed on the Carrier rate confirmation, including whether POD’s or BOL’s must be turned in immediately or within a specified time-period.

# **1.4 Accessorial Charges**

1. Canceled loads must be canceled out of TRKX immediately; failure to do so will result in a chargeback to the Agent in the amount paid to the Carrier.
2. Failure to cancel the load by the end of the month will result in Agent incurring a $100 chargeback. Any profits earned for canceled loads will be charged back to Agent.
3. Agent must place a hold on Carrier payment and/or notate within the load comments if any unresolved issues exist on a load. Failure to comply with this policy will result in chargeback to the Agent in the amount of any incurred loss.
4. Agent will incur a $100 fee at the time of billing if any of the following information has been registered incorrectly; wrong Customer, wrong/no reference number, wrong Motor Carrier Authority
5. If a discrepancy arises with Customer regarding co-brokering charges, Agent must direct the matter to upper management? Agent is prohibited from contacting the Customer relating to co-brokering charge matters.
6. If Customer Requests PODs, Lumper or driver-assist receipts, or any other documentation relating to accessorial and other charges – advise Customer to contact [DOCREQUEST@ROYALTYCAPITALINC.COM](mailto:DOCREQUEST@ROYALTYCAPITALINC.COM). Agent is prohibited from sending any documentation to the Customer.

# **1.5 Claims Management**

1. If a seal is affixed at loading, shipment is considered a high security type. Agent is prohibited from instructing the Carrier to break the seal in under any circumstances, with the exception being to comply with federal and/or state authorities.
2. All seals that are removed from a trailer for legitimate intermediate examinations (dot or law enforcement), must be resealed. The intermediate examination must be notated on the bills of lading. Carrier must obtain signatures from the personnel who breaks and reapplies a new seal.
3. If a sealed trailer is not intact upon delivery, the receiver of the product may refuse or reject the cargo for possibility of contamination or tampering. Agent will be charged back for any loss arising from broken seal shipments.
4. If a load has been rejected or rerouted, Agent must obtain a warranty from the Customer which is notated on the Customer’s rate confirmation indicating “Carrier not at fault for reroute or rejection.
5. Upon receiving notice of a claim, Agent must contact the claims administrator immediately at [contact@asaclaimsadmin.com](mailto:contact@asaclaimsadmin.com). Details about the claim should be included in the email, as well as notated in the comments section of load within TRKX.
6. Instruct the Customer to contact the claims administrator to follow up with the claim.
7. Upon notice of claim, Agent shall not book any additional shipments, subject to credit approval from credit compliance. If Agent fails to obtain authorization and continues booking shipments – all unpaid invoices as a result will be charged-back to Agent.
8. ASA Claims Administration

355 South Grand Avenue Suite 2450

Phone (323) 375-1031

Email: [contact@asaclaimsadmin.com](mailto:contact@asaclaimsadmin.com)

Website: [www.asaclaimsadmin.com](http://www.asaclaimsadmin.com)

# **1.6 Claims Prevention**

1. INSTRUCT THE CARRIER THE FOLLOWING:
2. Reefer only: pulp and document the temperature on the bill of lading instructions.
3. Reefer only: verify the temperature on the bill of lading matches the customer rate confirmation.
4. Reefer only: reefer unit must maintain continuous setting unless instructed otherwise on the bill of lading.
5. Reefer only: verify the product is not blocking the airflow of the trailer chute.
6. Reefer only: temperature recorder is required and must be placed at the center of the trailer or cargo.
7. Verify seal number on bill of lading matches the seal number placed on the trailer
8. Verify product condition for any visible damages or quality. If noticeable damages or issues of quality exist, carrier must notify agent as well as notate the issues on the bill of lading.
9. Verify case count, if not shrink wrapped. If shipment is shrink wrapped, verify the pallet count.
10. If the Carrier is prohibited from witnessing loading: (Shippers are not allowed to prevent the Carrier from witnessing the loading of cargo onto his trailer)
    1. Carrier must notify the Agent;
    2. Agent confirms and/or authorizes the loading without Carrier’s presence,
    3. Ensure shipper notates on the bills of lading, “Shipper Load and Count”
11. Verify that the delivery address on the confirmation matches the bill of lading.
12. DURING TRANSIT:
13. Regularly monitor reefer temperature throughout transit.
14. Always ensure that trailer is secured by using enforcer locks, secured parking, and other safety measures.
15. DELIVERY/CONSIGNEE:
16. Witness receiver break the seal, receiver must state “seal intact” on the bill of lading.
17. Confirm new seal number is recorded on bill of lading for multi-stop loads.
18. Verify seal number on the bill of lading matches the seal number placed on the trailer for multi-stop loads.
19. Monitor unloading of cargo, ensure proper count is notated on the bill of lading.

# **1.7 Specific Shipper Instructions**

1. United States Postal Service (USPS)

A standard bill of lading is not provided for USPS shipments. Carriers must be notified that they will receive the following forms instead of a bill of lading: (copies will not be accepted)

1. Form 5397 (small receipt with trip number)
2. Form 5398 (letter size receipt)

If the shipper does not provide the following forms to the Carrier, a written confirmation is required from the Customer. Customers’ confirmation trip number must match the trip number on form 5397 and form 5398.

Section 2: Carrier Relations

# **2.1 Equipment**

1. Less-Than-Truckload (LTL) & Full-Truckload (FTL)
2. If multiple LTL shipments are offered to the Carrier, Agent is responsible for distinguishing and disclosing each load separately when providing confirmation to the Carrier. Failure to do so will result in charge-back to Agent in the amount of any discrepancy in rate offered.
3. If an FTL and LTL are combined, the Agent that booked the FTL is responsible for coordinating the pick-up and delivery. If cancelation fees or short-payment occurs due to an FTL being combined with an LTL, the Agent who booked the FTL shipment will incur the charge-back for any associated loss.
4. Carrier must obtain approval from Agent if he wishes to be posted on the truck-board for an LTL shipment after being assigned an FTL load.
5. Carrier is not required to obtain approval from Agent if he wishes to be posted on the truck board after having picked up an LTL shipment.
6. If Carrier is hauling an exclusive load or FTL, it must arrive at receiver’s delivery location with only the exclusive load in its possession (this is to ensure that exclusive loads are not consolidated with other cargo).
7. Trans-load/Repower loads
8. The initial Carrier assigned to a shipment is entitled to compensation for the difference in the load price for the extent of miles traveled.
9. Power Only Freight
10. Carrier must have insurance coverage for non-owned trailers when hauling a power-only load.
    1. Verify the Power-Only trailer amount does not exceed the coverage on the Carrier’s insurance policy.
11. Power only shipments must only contain dry cargo, reefer shipments are prohibited and not allowed to load due to insurance coverage.
12. Load-Out trailers must include on Carrier’s Rate Confirmation “Carrier is liable for any damages to the Trailer”
13. Loading Tow-Away trailers (not allowed to load) would be “load on your own risk”. Carriers will not be responsible for any charges or deductions
14. Failure to comply will result in the full claim amount

# **2.2 Prohibited Commodities**

1. Before offering Carrier a load, Agent must verify with Carrier Compliance, whether Carrier has the required insurance coverage for that particular type of commodity.
2. If Agent tenders a shipment to Carrier that contains prohibited commodities, for which the Carrier does not have insurance coverage for, Agent will be charged back for any corresponding losses as a result.
3. The following commodities are generally excluded from most cargo insurance policies. Before a Carrier hauls a load containing such cargo, his insurance policy must be verified and an endorsement must be obtained confirming coverage for that type of cargo. This prohibited cargo list is not exhaustive, always verify with Carrier Compliance if you are unsure whether a particular type of cargo is prohibited or may be excluded from Carriers policy.
4. Prohibited Cargo List (NOT A COMPLETE/EXHAUSTIVE LIST)

#### Seafood

#### Tobacco

#### Medical supplies, MRI machines or machinery

#### Beer, alcohol, or spirits

#### Video games or media devices

#### Electronics, Solar Panels

#### Designer or BRAND-NAMED goods

#### Pharmaceuticals

#### Chemicals or hazardous substances

#### New tires

#### Weapons, including machine guns, rifles, or shotguns

#### Hazmat or hazardous goods

#### Automobiles

# **2.3 High Value Shipments**

1. High Value shipments contain cargo exceeding $100,000 in value. Agent is prohibited from booking and/or tendering shipments that contain high value cargo.
2. Agent must ensure that Customer discloses the product type and value of the product on its Rate Confirmation. DESCRIPTIONS SUCH AS “FAK” ARE NOT ACCEPTABLE.
3. Carrier must obtain endorsement (additional insurance coverage in an amount no less than the value of the cargo) on its cargo policy in order to be qualified to haul a high value shipment.
4. Carrier is not to be issued a rate confirmation to transport high value cargo without insurance endorsement. Agent will be charged back for any corresponding loss as a result of failing to comply with this policy.

# **2.4 Rate Confirmation**

1. Agent must ensure that Carrier has received written rate confirmation for each load tendered to him. Acceptable methods are email, text-message and Trkx App Services.
2. The rate confirmation must include, if and when applicable, the following:
3. If the shipment requires team- service, the Carrier confirmation must indicate that he is assigned to a team load. [Cannot delay pickup or delivery if a shipment is a team service or convention center load].
4. If the shipment involves a floor-loaded shipment;
5. If Carrier is assigned to an LTL shipment, the total linear feet of the freight must be disclosed on the Carrier’s confirmation;
6. If the shipment involves delivery or pickup to a time-sensitive convention center, the Carrier confirmation must indicate that load involves a convention center.
7. If the shipment involves a zero payment to the Carrier, the Carriers rate confirmation must indicate that the Carrier must turn in the POD.
8. Upon offering a load to Carrier, Agent is responsible for confirming the Carrier’s information and phone number matches his Carrier profile in TRKX. Beware of scams where impostors pose as legitimate Carrier’s and intercept and steal loads. Impostors often use email addresses, phone and fax numbers which are very similar to the actual data. Agent will be liable for the actual value of the cargo seized by an impostor posing as the Carrier for which agent falsely believed the load was tendered to.

# **2.5 Fuel Administration**

1. Agent must verify that Carrier has picked up shipment before releasing for fuel advance. Failure to verify pick-up before releasing for fuel will result in Agent occurring a chargeback for the associated loss and a 7.5% fee of the associated loss.
2. If Agent releases for fuel, he is responsible to ensure that Carrier completes and submits the pods within 30 days of the registration date. Failure to comply will result in the chargeback for the fuel taken.

# **2.6 Agent Loss Protection**

1. Agent Loss Protection is a policy created to cover certain losses that Agent may incur, subject to terms and conditions. The following circumstances will allow Agent Loss Protection to be applied.

ALP APPLIES UNDER THESE CIRCUMSTANCES:

1. If an invoice is unpaid due to Customer credit;
2. If an invoice is unpaid due to a claim caused by Carrier fault;
3. If a fuel advance loss is incurred due to Carrier fault;
4. “Co-brokering” charges/fees against owner-operators (outside Carrier’s, dedicated Carrier’s, assigned trucks, Agent owned trucks are excluded).

DOES NOT APPLY:

1. A claim results because of a broken seal;
2. If co-brokering charges are incurred due to agent negligence;
3. Issues pertaining to outside carrier and dedicated carrier’s (load at your own risk)
4. Agent negligence has occurred.

# **2.7 Accessorial Charges**

1. Before a Carrier is charged a cancellation fee, Agent must obtain approval from the Carrier’s Truck Coordinator.
2. Charges which apply to the Carrier must be specified in TRKX. All Carrier charges must be applied in TRKX before the Carrier receives payment.
3. To apply additional charges to the Carrier (aside from Customer charges), Agent must first obtain the Truck Coordinator’s approval.
4. Carrier is entitled for the following compensation regardless of amount paid by Customer;

Layover, Detention, Additional Weight, Additional Miles, Additional Picks/Drops, Truck Ordered Not Used.

SHORT-PAID LOADS [CHARGE-BACK PROCEDURE]

1. Notification of short-payment will be emailed to Agent;
2. If the short-payment arises between the 1st and the 20th of the month, the chargeback will apply during the same month’s payroll.
3. If the short-payment arises between the 21st and the 31st of the month, the chargeback will be applied to the following month’s payroll.
4. If Agent believes that the short-payment is caused by Carrier’s negligence, Agent must consult with Truck Coordinator in order to resolve the potential discrepancy.
5. Agent will be charged-back for any payment releases to Carrier that remain unpaid by the Customer past 30-days.
6. Agent must ensure that all Load Comments are up to date and specify if any issues exist.

LUMPER FEE:

1. Carriers are entitled to reimbursement for lumper fees. If the lumper fee is included in the line haul payment, Agent is to disclose that information on the Carrier’s Confirmation as well as in TRKX (Load Comments).
2. The Load Comments must indicate that Carrier’s Lumper fee is being reimbursed and is included within the line-haul payment from the Customer.
3. Agent must indicate in the Load Comments whether the Customer is paying the lumber fee directly.

*I acknowledge that I have received a copy of the Policy and Procedures Manual, which describes important operational information about All State Association.*

*I understand that All State Association may change, modify, suspend, interpret or cancel, in whole or part, any of the published or unpublished policies or procedures, with or without notice, at its sole discretion, without giving cause or justification to any EP or Agent. Such revised information may supersede, modify or eliminate existing policies. All State Association shall have sole authority to add, delete or adopt revisions to the policies or procedures in this Manual. Any written or oral statement by a supervisor or department director contrary to this manual is invalid and should not be relied upon by any EP or Agent.*

*I understand and agree that I have read and will comply with the policies and procedures contained in this Manual and any revisions, and that I am bound by the provisions contained therein.*

*Elvis Torosyan*

*EP Name (Printed) Signature*

*December 2, 2019\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Date*

*Armen Siak*

*EP Name (Printed) Signature*

*December 2, 2019\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_*

*Date*