



## **Vendor Partnership Manual**

### **Section 7 – Accounts Payable**



## TABLE OF CONTENTS

<b>1. INVOICING REQUIREMENTS.....</b>	<b>1</b>
1.1 Paper Invoices.....	2
1.2 EDI Invoices .....	2
1.3 Scan Based Trading .....	2
<b>2. INVOICES.....</b>	<b>2</b>
2.1 Partial Shipment .....	3
2.2 Statements.....	2
2.3 In-Store Vendors.....	3
<b>3. STEPS TO INSURE TIMELY PAYMENT .....</b>	<b>4</b>
<b>4. INVOICES AND CHARGEBACKS.....</b>	<b>4</b>
4.1 Cash Discounts.....	4
4.2 Price Quantity Discrepancy Invoice .....	5
4.3 Returned Merchandise.....	5
4.4 Dating Terms and Instructions.....	5
<b>5. VENDOR SAMPLE POLICY .....</b>	<b>5</b>
<b>6. MAILING ADDRESSES.....</b>	<b>5</b>
<b>7. NON-EDI/PAPER INVOICES.....</b>	<b>5</b>
7.1 Perfect Match .....	6
7.2 Imperfect Match.....	6
<b>8. VENDOR RELATIONS .....</b>	<b>6</b>
<b>9. COMPLIANCE POLICIES .....</b>	<b>6</b>

---

# What's New

*PLEASE REVIEW THE ENTIRE CHAPTER.*

## 1. Invoicing Requirements

Unless stated to the contrary on the face of the Purchase Order (hard copy order) or electronic PO (EDI), a separate invoice is required for each store location of Pamida receiving merchandise under the Purchase Order.

### 1.1 Paper Invoices

Paper invoices must include but are not limited to the following information:

- Vendor name and address
- Pamida assigned Vendor Number
- Pamida ship-to store number and address
- Purchase Order number. If multiple page invoice, must be on the total page
- Invoice number and invoice date
- Number of cartons shipped under each invoice and mode of transportation
- Style number and description
- Unit cost and total cost
- Terms agreed upon
- Grand total eaches for all units invoiced

Include the same product identifier on the invoice (SKU or UPC) as was sent on Pamida's PO.

**NOTE: The invoice must be completed at the same detail and same SKU sequence as the PO.**

### 1.2 EDI Invoices

EDI invoices must be completed with all Pamida EDI invoice requirements. These requirements are detailed in the [\*Quick Response/EDI Communications\*](#) section of this manual.

### 1.3 Scan Based Trading

For trading partners who desire to do business with Pamida as a SBT vendor, the following processes need to be in place to proceed.

- 1.3.1 A contractual agreement between the two companies defining all aspects of accountability.
- 1.3.2 Data transmission requirements between the two companies.
  - 852 (Daily sales)
  - 820 (EFT – if required)
  - 812 – Weekly Self Invoicing Upload into Accounts Payable
  - 856, 861 – ASN transmission/receiving (if required)
  - 832 – Vendor Catalog used for Data synchronization (optional)  
Use spreadsheets if applicable
  - 855 – Vendor managed PO – Identifying the product the vendor will ship
- 1.3.3 Set-up new vendor number for SBT (Pilot stores)

- Assign SKU's to this Vendor number
- Add more stores as process is rolled out

1.3.4 Update ASN audit levels

1.3.5 Test all EDI Transmissions

Implementation and conversion to the SBT process:

1.3.6 Create physical inventories at store level to determine the vendor buy back total.

- Occurs at each store on the same day that the store is turned on for SBT transactions
- Final inventory reports are created to identify current inventory values
- Pamida Inventory Control works with the vendor to reconcile inventory dollars

1.3.7 Perform conversion that changes the vendor to SBT

- Activate the store to SBT status
- Update SKU and Vendor Information to SBT status
- Zero on-hands on current SKU balances
- Create accounting entries (as needed, i.e. shrink, etc)

## 2. Invoices

The Accounts Payable Department handles invoice payments that are paid by check or EDI/EFT.

**The Accounts Payable Department** will enter invoice information for a specific purchase order which is matched to goods received against that purchase order. EDI invoices are batch entered by PO. The system compares the two, if both match, it is a perfect match and the invoice is transmitted to the Accounts Payable system for payment. Perfect match is the best way to ensure timely payment.

There are several specific scenarios outlined; be sure to read all that pertain to you.

### 2.1 Partial Shipment

Partial Shipments will not be accepted without Pamida's respective Buyer's written authorization unless specifically authorized on the PO or in the CSH segment of an EDI order. **When a partial shipment is allowed, each shipment will require a separate invoice (with a different invoice number)**. This will result in multiple invoices per PO, which may cause a delay in payment.

### 2.2 Statements

Pamida does not allow for payment to be made from Vendor Statements.

### 2.3 In-Store Vendors/DSD/Local

In-store vendors are those identified as being local in proximity and servicing Pamida stores on a regular basis to determine merchandising needs. In-store vendors **must**:

- Deliver the original invoice with the product. Pamida receiving location personnel will verify units invoiced, identify any discrepancies **and** sign for the goods.
- Deliver the product with a Packing Slip which will be detail checked in by receiving personnel. Any discrepancies will be noted and the Packing Slip
- EDI invoice routing requirements are detailed in the [Quick Response/EDI Communications](#) Section of the agreement.

### 3. Steps to Insure Timely Payment

- Be sure all the information listed in the previous Invoicing Instructions appears on the Invoice.
- Only one Purchase Order per invoice is acceptable.
- Send original invoices to the correct location.
- Do not send duplicate invoices.
- Do not re-use invoice numbers.
- Make certain prices are the same as on the Purchase Order and the quantity shipped matches the invoice and we're billed in the same line order as the PO. Communicate all **cost** and **casepack** differences to your respective Pamida buyer/assistant buyer prior to shipment.
- Make certain the correct Purchase Order Number is clearly indicated on each shipment.
- Include a Packing Slip with UPC/SKU number, quantity, description, # of cartons, and shipment type (DC or Direct to Store).
- Do not substitute items without advanced buyer/assistant buyer approval.
- Ship complete on each PO.

### 4. Invoices and Chargebacks

There are several types of invoices and chargebacks Pamida may issue against a vendor account. They include, but are not limited to:

- Price/Quantity Discrepancy Invoice
- Substitution on an invoice
- Merchandise returned to vendor
- Advertising or Promotional allowances (**see Contact List**)
- Penalty Chargebacks (**see Contact List**)
- Audit Chargebacks (**see Contact List**)

If you dispute any of these charges, please follow the instructions in the following sections. If you need to contact an Accounts Payable Representative, see *Who to Call* on page 16.

#### 4.1 Cash Discounts

- In the event payment of an invoice subject to a cash discount is delayed as a result of a debit balance on the vendor's account, the discount will be deemed to have been earned.
- In the event payment of an invoice subject to cash discount is due on a weekend or holiday, the check will be issued on the next business day and the discount will be deemed to have been earned.
- In the event payment of an invoice subject to cash discount is due, but the payment cycle for the check has not yet been issued, the check will be issued at its' payment cycle date and the discount will be deemed to have been earned.

## 4.2 Price Quantity Discrepancy Invoice

- Complete the Standard Vendor Claim Form located on the reverse side of the Price/Quantity Discrepancy Invoice.
- Send to your Accounts Payable Representative.
- Make copies of the blank Price/Quantity Discrepancy form for future use.

## 4.3 Returned Merchandise

Proof of Delivery cannot be obtained after 9 months.

- Complete the Standard Vendor Claim Form.
- Send to your Accounts Payable Representative.

## 4.4 Dating Terms and Instructions

Pamida's policy on computing terms is as follows:

- a) On end of month dating, merchandise received on or after the 26<sup>th</sup> day of the month will carry dating as of the 1<sup>st</sup> day of the next succeeding month.
- b) All terms dating will begin upon Pamida's receipt of goods date (receipt of goods is defined as merchandise that has arrived at the final "ship to" location as listed on the purchase order), Purchase order Ship Window date (ship window date specified on the front of the purchase order, or in the DTM segment of an EDI order), invoice date or receipt of invoice, whichever is later without loss of discount. Any special costs incurred by Pamida arising from Vendor's advance shipment will be charged back to you.
- c) Cash discounts shall be computed based on the "Gross" amount of the invoice.

## 5. Vendor Sample Policy

Pamida's policy is that both requested samples and the freight for such samples are to be the responsibility of the vendor quoting the items. These samples may be requested for:

- Product Evaluations
- Advertising Purposes
- Product Comparison to determine feasibility for purchase

It is company policy that none of these samples, or freight, be paid for by Pamida since Pamida is giving you, the vendor, an opportunity to sell or advertise your product in Pamida Stores. It is also company policy that all samples are cleared through U.S. Customs on the vendor's behalf. Pamida should not be the importer of record on any sample shipments.

Pamida believes this is a fair policy for both Pamida and its vendors to analyze and compare items accurately and to ensure the maximum quality and value for Pamida customers. Samples will not be ordered from a vendor if the buyer is not seriously considering placing a line or advertising the item. Due to the exorbitant cost incurred for the product testing and photo advertising, it has been necessary for Pamida to adopt this policy.

**NOTE:** If it is absolutely necessary that these samples be paid for, it will be the responsibility of your company or your designated representative to contact Pamida's buyer and work out the details of the return. In all cases, it will again be your responsibility or your designated representative's to arrange for the packing and pick up of all samples.

Pamida samples should be sent to:

Pamida

ATTN.: (Buyer's name)

8800 "F" Street

Omaha, NE 68127

**NOTE:** Unless otherwise agreed to prior to receipt, all merchandise samples will be retained by Pamida at no charge.

## 6. Mailing Addresses

**Invoices**, unless specifically instructed otherwise, should be mailed to:

Pamida  
Accounts Payable  
PO Box 2869  
Omaha, NE 68103-2869

**Correspondence, statements, credit memos and all other miscellaneous items** should be mailed to:

Pamida  
Accounts Payable  
PO Box 2873  
Omaha, NE 68103-2873

## 7. NON-EDI/Paper Invoices

Accounts Payable is responsible for entering distribution center invoice information for the purpose of matching to merchandise received. When necessary information is missing or incorrect on an invoice, the invoice cannot be entered into the Accounts Payable system for payment. No payment for the shipment will be made until a corrected invoice is received.

Invoices entered are either a **Perfect Match** or an **Imperfect Match**.

### 7.1 Perfect Match

If the Invoice entered on-line for a specific purchase order and location match to both the goods received and the cost listed on the PO, the invoice is automatically transmitted to the Accounts Payable system for payment.

### 7.2 Imperfect Match

If the Invoice entered on-line for a specific purchase order and location does not match to either the goods received or the cost listed on the PO, the invoice is transmitted for payment. A Price/Quantity Discrepancy Invoice is created and deducted for the difference between the received amount and the Invoice amount. A copy of the Price/Quantity, with detail to support the deduction, will be mailed to your correspondence address.

## 8. Vendor Relations

The **Accounts Payable Department** is responsible for handling requests and inquiries regarding **payment of invoices, receiving, cost differences, invoicing errors, overpayments and any other payment issues with** your account. Requests should be made in writing, **email or phone call**. Please see *Who to Call* on page **Error! Bookmark not defined.** for the accounting supervisor your company must contact.

## 9. Compliance Policies

Pamida reserves the right to chargeback to the vendor for non-compliance of company policies. Some of the non-compliance penalties are:

- **Freight Shipped Prepaid & Then Added on the Invoice** – Shipping/freight arrangements should be made prior to shipment with the Pamida Traffic Department. If product is shipped prepaid, freight is not to be added to the invoice. ***Freight added to the invoice will be deducted.***
- **No PO Number on the Invoice or the Incorrect PO number on the Invoice** – No payment made until the corrected invoice is received.
- **Multiple PO Numbers on One Invoice** – No payment made until the corrected invoice is received.
- **No Ship-to Location or Incorrect Location Listed on the Invoice** – No payment made until the corrected invoice is received.
- **Duplicate Invoice Numbers** – No payment made until the corrected invoice is received.
- **Billed Wrong Plan Type** – 5% of Purchase Order or \$10 per Invoice, whichever is greater.

## 10. Who to Call

- See contact list located on our web site