#### Vendor Debit Memos : Compliance Fines

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| Vendor Debit Overview | Advantus obtains products from other vendors in order to sell to our customers. We require our vendors to operate at standards outlined by Advantus. We provide each vendor a Vendor Guide on an annual basis. This guide outlines our expectations and provides a summary of possible fines associated with a failure to meet those standards. We ask that the vendors sign an agreement advising they understand and agree to those terms.  When there is a failure in those standards by the vendor, Advantus may elect to debit the vendor a set fine. Such debits typically occur as a result of the following events:   * TRF: Failure or extra costs associated with product compliance testing * Compliance Fine: Issue with item that resulted in a compliance fine from the Advantus customer * Customer Reports/Feedback: Failure in item as determined by a compliant received from customer or end user * Warehouse/Vendor Issue Task: Issue with item that resulted in a rework project by the warehouse to bring it up to the standards set |

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| Compliance Fine: Vendor Debit Process Overview | When Advantus receives a fine from a customer, there might be occurrences that the fine is a result of an error made by the vendor. In those instances, we may decide to issue a vendor debit for the error. The Compliance Specialist will determine if the debit should be made when reviewing the fine. When a debit is required, the Compliance Specialist will:   * Enter the debit details on the Compliance Fine record in NetSuite, * Create Vendor Debit Memo record in NetSuite, * Forward a copy of debit memo to the vendor via email, * Send a copy of the debit memo to accounting so they can process the vendor debit, and * Attach copy of debit memo to the Compliance Fine record in NetSuite.   The following training will provide the steps on issuing a vendor debit for Compliance fines. |

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| Vendor Debit: Compliance FineInstructions | The following steps outline the vendor debit process as a result of a fine.   |  |  | | --- | --- | | Step | Action | | 1 | Access the Compliance Fine record in **Edit** mode | | 2 | Select *Yes* in drop down of **Debit Vendor** field | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 3 | Check the box beside **Create Vendor Debit Memo** field | | 4 | Type in vendor number to be debited in **Vendor** field    **Note:** Vendor number can be found on the Item record. | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 5 | Select **Save** option to update Compliance Fine | | 6 | System will display created Vendor Debit Memo record in **Edit** mode | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 7 | Confirm all the header fields are filled in correctly from fine | | 8 | Complete the **Error Category** field using the drop down option | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 9 | System will fill in standard fee in **Chargeback Fee** field | | 10 | Confirm **Chargeback Qty** field is correct or update it | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 11 | Select **Add** option to add Debit Memo Line Item | | 12 | System will add new item line, repeat **Steps 8-11** until all errors are added to Vendor Debit Memo record | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 13 | Once all lines are added, confirm **Debit Lines Subtotal** is correct | | 14 | Select **Save** option | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 15 | System will save updates to Vendor Debit Memo record | | 16 | Click the print icon () to generate PDF version of memo | |

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| Vendor Debit: Compliance Fine Instructions, continued | |  |  | | --- | --- | | Step | Action | | 17 | System displays PDF of debit memo | | 18 | Save PDF to share drive Compliance-Vendor Compliance-Vendor Debit Memos-YYYY folder | | 19 | Email copy of PDF memo to the vendor using the contact details in NetSuite and cc: [ap@advantus.com](mailto:ap@advantus.com) for accounting to process debit | | 20 | Access Compliance Fine record to attach PDF of debit memo using Drag and Drop feature. | |