

# Wakefern Accounting Guidelines

**WAREHOUSE ACCOUNTS PAYABLE** Invoice Requirements Warehouse Accounts Payable handles invoice payment. EDI **810/880** Invoice transactions and/or **Internet Web** are the preferred process for invoicing. There is a **\$5 per invoice transaction fee** for the Internet invoice and a **\$50 administrative fee** will be assessed to process a **paper** invoice. To ensure prompt payment of your invoice, you should comply with the following rules:

1. Multiple warehouse deliveries may not be combined on one purchase order.
2. Multiple purchase orders may not be combined on a single invoice.
3. Items with extended terms must be invoiced separately.
4. Supplier should not invoice prior to delivery.
5. Suppliers may invoice only for the product(s) actually shipped.
6. All packaged goods are required to have valid UPC's on the invoice.
7. Invoice must reference the Wakefern eight (8) digit purchase order number.
8. Functional Acknowledgements, for EDI invoices, must be checked **daily** to ensure complete transmissions and retransmission of corrected invoices.
9. EDI Text messages must be checked **daily** to insure the successful transmission of invoices and/or to perform the necessary actions to correct and retransmit the invoice.

**Payment Policies** Payments are made based on the structure of the Purchasing Document (**Purchase Order**). If the Purchasing Document is set up as a 3 way match, we must receive the product before the invoice will be paid. Due to specific business situations the Purchase Document may be set up as a 2 way match, in those circumstances we will pay before receipt of the product with the approval of the Category Manager. **Payment Due Date Calculations**

- The invoice due date will be calculated based on the **Receipt of Goods** or the **Invoice Date (which ever is later)** and based upon the **most favorable** of the purchase order or the invoice terms.
- If an invoice due date falls on a weekend or holiday, invoices are paid on the **next available business day**.
- If an invoice is deleted, rejected or returned for missing or incorrect data, the terms will be calculated based on the **receipt date** of the corrected invoice.

## **Cash Discount Calculations**

- Discounts are calculated on the **"Gross"** amount prior to discounts and allowances.

## **Shipping Discrepancies**

- Invoice deductions will be taken for quantity variances caused by shipment/picking error, shortages and damaged merchandise and applied against the supplier's next available payment.
- Such deductions will be taken for shortages and damages discovered at the time of **warehouse receipt** and for shortages and damages discovered **later** in the receiving

process, as may occur in the event of **backhauls** and **drop-trailer** programs where inspection is not feasible or permitted at the time of receipt.

- Suppliers will be provided with a copy of the detail to support the deductions along with their remittance advice.

### **Other Deductions**

- Wakefern reserves the right to deduct from outstanding supplier payables for pricing discrepancies, allowances, bill backs, freight charges, returns, post audits, coupon redemptions bill backs, reclamation and other receivables. Wakefern also reserves the right to demand payment by check on balances past due. The deductions will be applied against the supplier's next available payment. A copy of the supporting documentation for the deductions, will accompany our remittance advice.

### **"Remit-To" Address Changes**

- "Remit-To" address changes must be communicated in writing with a copy of the supplier's invoice reflecting the new "remit-to" address. No changes can be made to Wakefern's data files, until written notification has been received by the Wakefern Procurement and Category manager. Failure to provide this information may result in delay payments.
- If ownership of your company changes you must communicate the changes in writing to the appropriate Wakefern Procurement and Category manager. If the new owner is not an approved Wakefern supplier, your company will be treated as a new supplier. This means that your company will be required to complete new vendor and item set-up process and obtain Wakefern approval, to retain its "approved-supplier" status. Please refer to the section entitled "Wakefern Supplier Requirements" in this guide for instructions.
- The Trading Partners Terms and Conditions, Certificate of Liability Insurance ("COI") and Broad Form Vendor's Endorsement are mandatory for new suppliers. These documents must be presented to the Procurement and Category manager at the time of appointment. The Trading Partners Terms and Conditions should have the "**original**" signature; copies will not be accepted.

**Important Note:** Delay in providing the required documentation for new vendors may cause payments to be delayed. **Supplier Inquiries, Challenge and Correspondence Policies & Procedures**

- Supplier inquiries and challenges regarding Accounts Payable transactions, balances and discrepancies should be directed to the Consolidated Accounts Payable Department. Several Supplier Relations associates are available to address your inquiries and concerns.
- Wakefern provides the Suppliers with an Internet Inquiry application. The application provides immediate on-line access to your account for the past six months of activity. It can be used to check on the status of payments; a list of Wakefern contacts to assist you; obtain copies of remittance advises, machine generated deductions/adjustment memos and bill backs. To access our Internet Inquiry application, contact Frances Lynch at

Frances.Lynch@Wakefern.Com to obtain a copy of the documentation and the Direct Access Agreement form.

- Suppliers may submit inquiries and challenges in writing to the Consolidated Accounts Payable Department. Please include any supporting documentation in your correspondence, especially the Wakefern Purchase Order number and allow 15 business days for a response. Telephone and facsimile (Fax) inquiries will be placed in the order received. In fairness to our suppliers, Fax inquiries will not be placed ahead of written and/or telephone inquiries received on the same day.
- Suppliers' correspondence for open invoices, challenges and payment discrepancies should be initiated within **30 days** of the initial invoice date and/or receipt of check. The correspondence should reference the relevant invoice(s), adjustment(s)/deduction(s) and purchase order (s) **by number** in addition to an explanation for the challenge.

**Important Note:** To improve our customer relations and to drive cost out of both systems, the Consolidated Accounts Payable Department **will not** address telephone calls, faxes or written correspondence for **information** that is **available** to you **on-line** via the Internet Inquiry application. **Wakefern/Warehouse Accounts Payable Contacts: Mail:** Wakefern Food Corp. 33 Northfield Ave. Edison, NJ 08818 P7-125 **FAX:** 732-906-5275 **Phone:** 732-906-5597 732-906-5570 **CORPORATE/RETAIL PURCHASING ACCOUNTS PAYABLE (Indirect Procurement) Invoice Requirements** Corporate/Retail Accounts Payable handles all indirect purchasing invoice payments. Indirect purchases include merchandise not for resale. To ensure prompt payment of your invoice, you should comply with the following rules:

1. Multiple deliveries/services may be combined on one purchase order only if approved by the Purchasing Agent
2. Multiple purchase orders may not be combined on a single invoice.
3. Supplier/Service Provider should not invoice prior to delivery/service.
4. Suppliers may invoice only for the product(s) actually shipped and or service(s) performed.
5. Invoice must reference the Wakefern purchase order number. The appropriate work ticket must also accompany Service invoice.

**Payment Policies** Payments are made based on the structure of the Purchasing Document (**Purchase Order**). If the Purchasing Document is set up as a 3-way match, we must receive the product and/or the service performed before the invoice will be paid. Due to specific business situations the Purchase Document may be set up as a 2-way match, in those circumstances we will pay before receipt of the product with the approval of the Purchasing Agent. **Payment Due Date Calculations**

- The invoice due date will be calculated based on the **Receipt of Goods** or the **Invoice Date(which ever is later)** and based upon the **most favorable** of the purchase order or the invoice terms.
- If an invoice due date falls on a weekend or holiday, invoices are paid on the **next available business day**.
- If an invoice is returned for missing or incorrect data, the terms will be calculated based on the **receipt date** of the corrected invoice.

**Cash Discount Calculations** Discounts are calculated on the "**Gross**" amount prior to discounts and allowances. **Store Deliveries/Services**

- The Supplier/Service Provider is required to obtain a **ShopRite** store **stamp** and **signature** at the time of the delivery. Vendor must provide this Proof of Delivery with their invoice or a tracking number from the delivery company (UPS, FedEx etc.)
- The Supplier must provide Wakefern's Accounts Receivable department with a copy of bill of lading with the **ShopRite** store **stamp** and **signature**. The proof of delivery/service must be received within **3 days** from the date of delivery/service, to insure payment within **terms** of the invoice.

### **Shipping/Service Discrepancies**

- Invoice deductions will be taken for quantity variances caused by shipment/picking error, shortages and damaged merchandise and applied against the supplier's next available payment.
- Such deductions will be taken for shortages and damages discovered at the time of **receipt** and for shortages and damages discovered **later** in the receiving process.
- Suppliers will be provided with a copy of the detail to support the deductions along with their remittance advise.

**Other Deductions** Wakefern reserves the right to deduct from outstanding supplier payables for price, allowances, freight charges, taxes, returns, post audits and other receivables. Wakefern also reserves the right to demand payment by check on balances past due. The deductions will be applied against the supplier's next available payment. A copy of the supporting documentation for the deductions, will accompany our remittance advice. **"Remit-To" Address Changes**

- "Remit-To" address changes must be communicated in writing with a copy of the supplier's invoice reflecting the new "remit-to" address. No changes can be made to Wakefern's data files, until the Wakefern Purchasing Agent has received written notification. Failure to provide this information may result in delay payments.
- If ownership of your company changes you must communicate the changes in writing to the appropriate Wakefern Purchasing Agent. If the new owner is not an approved Wakefern supplier, your company will be treated as a new supplier.
- Vendor must submit a certificate of insurance naming Wakefern Food Corp as an additionally insured. Liability insurance of \$5,000,000 must be maintained at all times.

**Important Note:** Delay in providing the required documentation for new vendors may cause payments to be delayed. **Supplier Inquiries, Challenge and Correspondence Policies & Procedures**

- Supplier/Service Provider inquiries and challenges of transactions, balances and discrepancies should be directed to the Corporate/Retail Accounts Payable Department.
- Suppliers/Service Providers may submit inquiries and challenges in writing to the Corporate/Retail Accounts Payable Department. Please include any supporting documentation in your correspondence, especially the Wakefern Purchase Order number

and allow 15 business days for a response. Telephone and facsimile (Fax) inquiries will be placed in the order received. In fairness to our suppliers, Fax inquiries will not be placed ahead of written and/or telephone inquiries received on the same day.

- Suppliers'/Service Providers' correspondence for open invoices, challenges and payment discrepancies should be initiated within **30 days** of the initial invoice date and/or receipt of check. The correspondence should reference the relevant invoice(s), adjustment(s)/deduction(s) and purchase order (s) **by number** in addition to an explanation for the challenge.

**Corporate Accounts Payable Contacts: Mail:** Wakefern Food Corp. 33 Northfield Ave. Edison, NJ 08818 P7-114 **FAX:** 732-906-5090 **Phone:** 732-906-5305 732-906-5347 732-906-5330 **Retail Accounts Payable Contacts: Mail:** Wakefern Food Corp. 33 Northfield Ave. Edison, NJ 08818 P7-116 **FAX:** 732-906-5038 **Phone:** 732-906-5346 732-906-5348 732-906-5352

**DIRECT STORE DELIVERY ACCOUNTS PAYABLE** ShopRite Financial Services Accounts Payable Payment Methodologies The ShopRite Financial Services (SFS) DSD department at Wakefern Food Corporation reconciles and processes all invoices and credits for DSD transactions occurring at ShopRite Stores. Payments are based on the Back Door Receiving Ticket, Wakefern Procurement negotiated pricing, authorized item master file and Vendors weekly billing statement. SFS has two basic reconciliation and payment methods. One method is electronically transmitted line item reconciliation via the EDI environment. Both item and cost are validated against the Wakefern maintained item and cost master file. The second reconciliation method is POR (Pay on Reconciliation). This process reconciles the vendors electronically transmitted weekly vendor statement invoice and credit summary of the detail to the store scanned receipt summary of the detail. Both item and cost are validated against the Wakefern maintained item and cost master file. The vendor has two billing options for the POR process. Option 1: Internet Based Invoice Entry Screen Wakefern will provide an interface (utilizing a User ID and password) to a secured Internet site that will allow vendor Account Receivable associates to enter invoices electronically to be reconciled by our DSD Accounts Payable Department. A convenience fee of \$5.00 per transmission is assessed for the utilization of this option. Option 2: Electronic Data Interchange (EDI) File Processing Trading Partners that are technologically capable can submit invoices electronically via an approved electronic data interchange (EDI) file. \*Wakefern Food Corporation does not assess fees for the EDI Submission option. However, the DSD Vendor will have to procure the services of a VAN (Value Added Network Provider) in order to engage in EDI network transmissions. Wakefern Food Corp does not endorse any specific VAN, however, when asked which VAN Wakefern Food Corp utilizes for its EDI business, the following Companys phone number is provided: Sterling Commerce 1-877-432-4300 Once again, Wakefern Food Corp is not endorsing the utilization of Sterling Commerces VAN services. The DSD vendor is free to procure the services of any VAN it desires. The vendor must select one of the options. Wakefern will not accept paper invoices/statements. For more details and data layout, please contact one of the following Wakefern departments and review Section 7 of this manual. The Wakefern preferred method of communication is via email. **Technical Questions:** Internet Based Invoicing Questions: Joseph Feakes [Joseph.feakes@wakefern.shoprite.com](mailto:Joseph.feakes@wakefern.shoprite.com) Electronic Data Interchange (EDI) Option: Jade Hunt: [Jade.Hunt@wakefern.shoprite.com](mailto:Jade.Hunt@wakefern.shoprite.com) Invoice Requirements ShopRite Financial Services DSD Accounts Payable handles payments for direct store deliveries. EDI 810/880 invoice transactions and /or Internet Web are the preferred methods for invoicing. Internet Billing data is

batched one time per week and there is a \$5 per batch transmission fee. A \$50 per invoice administrative fee will be assessed for processing paper invoices. To ensure prompt payment of your invoices, you must adhere to the following rules. Auto reconciliation is dependent upon your compliance. Each invoice must contain:

1. Your Company name and address.
2. A distinct invoice number no longer than eleven (11) digits; the twelfth digit is for the credit indicator C. The invoice number must be numeric and cannot contain alpha and/or characters.
3. The store number.
4. The store name.
5. The UPC number for each item.
6. The quantity (cases, units or pounds) of each item delivered.
7. The cost of each item delivered.
8. Separate invoices must be generated for different departments.
9. Separate invoices must be generated for items received by weight vs. count.
10. The total cost and quantity shipped must appear at the end of each invoice excluding any allowance, if applicable.

Proof of Delivery A Vendor may be required to send Wakefern Food Corporation proof of delivery (POD) if we have no record of receiving a delivery. We will only accept a DSD Back Door Receiving Ticket (see Appendix #20) signed by the Driver and Receiver OR a Vendors invoice if it is stamped and signed by the store Receiver, or other designated store personnel, with the DSD NOT SCANNED stamp. The date, store and signature must be completed as indicated on the stamp. Please Note: The Driver and Receiver are signing for items and quantities only, not cost. If the invoice is NOT stamped and signed, it will not be paid. Deliveries made via UPS, FEDEX or other similar type delivery service will use the signed tracking ticket as proof of a delivery. The tracking ticket MUST reference the invoice number. Post Audit All identifiable pricing issues should be directed to your Wakefern Procurement representative. All other disputes in payment for a missing invoice, or an invoices amount, must be made within (60) DAYS of payment date. All accounting disputes for partial payments should be made via email (see Vendor Inquiries and Correspondence). PARTIAL PAYMENT BALANCES CANNOT BE ELECTRONICALLY SUBMITTED. Any Post Audit in which Wakefern Food Corporation was correct will be subject to a \$50.00 per invoice administrative fee. All post audit for full invoices should be sent on a separate transmission and notification should be given to the DSD Accounting Department. NO MANUAL POST AUDIT WORK WILL BE ACCEPTED FOR FULL INVOICES. Terms Terms are agreed upon by the Buyer and Seller. Discounts are calculated on the Gross amount prior to discounts and allowances. The due date will be attached to the file of invoices the same day the transmitted data is received into the Accounts Payable System, unless it is after 3 PM or there are uncontrollable hardware or software problems. All billing statements should reflect a weekly billing schedule ending on a Saturday (Sunday through Saturday deliveries). Please note: If the payment date falls on a Saturday, Sunday or Holiday, payment will be made on the next business day. Should there be any problems with the file of information we will contact you within 24 hours after detecting the problem. You will then be required to resend the entire file again. Should this happen continuously, your company will be subject to a \$500.00 administrative fee per transmission. If invoices are deleted or rejected for missing or incorrect data, the TERMS WILL BE CALCULATED BASED ON THE RECEIPT DATE OF THE CORRECT BILLING INFORMATION. Vendor Inquiries and Correspondence Vendor inquiries regarding ShopRite Financial Services (SFS) DSD Accounts Payable transactions, partial payment balances and payment discrepancies should be directed to the SFS DSD Accounts Payable department at the designated e-mail address [dsdapinq@wakefern.shoprite.com](mailto:dsdapinq@wakefern.shoprite.com). Again, identifiable pricing issues should be directed to your Wakefern Procurement representative. Vendor correspondence on open invoices and payment balances should be initiated within (60) days of the original billing/payment period. All

correspondence should reference the store number, delivery date and relevant invoice number.

**FULL INVOICES:** Post Audit requests for full invoices should be made electronically on a

separate transmission. **PARTIAL INVOICES:** The preferred method for submitting vendor

inquires for partial payment balances and payment discrepancies is through email. **PARTIAL**

**PAYMENT BALANCES MAY NOT BE ELECTRONICALLY TRANSMITTED.** An EXCEL

spreadsheet detailing the store number, delivery date, invoice number and amount due must be

part of the request. Supporting documentation will be requested when necessary. Please note:

FAX correspondences should not exceed 20 pages. Your company will be assessed an

administrative fee for not adhering to this policy Remittance Advice ShopRite Financial Services

DSD Accounts Payable will provide a detailed remittance advice to the vendor at time of

payment. This advice will be available for viewing on-line. There are three basic types of

remittance reporting. Type A: This report details payments made in the POR (Pay on

Reconciliation) reconciliation methodology. Payments are made at the invoice summary level,

however, line item detail (UPC) will be supplied for payments being made according to our

scanned data. Part 1 Invoices Paid In Full Part 2 Invoices Paid According to Wakefern Scanned

Information Type B: This eleven (11)-part Remittance report accompanies payments made in the

line item EDI reconciliation methodology. Payments are made at invoice level, however, line

item detail and various explanations as indicated are supplied for payment variances. A payment

summary precedes this report. Part 01 Invoices Paid In Full/Debits Part 02 Invoices Received In

Full/Credits Part 03 Invoices Partially Paid/Debits Part 04 Credits Partially Received/Credits Part

05 Items Discrepancy/Debits Part 06 Items Discrepancy/Credits Part 07 Invoices Paid Under

Wakefern Invoice Number Part 08 Items Not Received Part 09 Outstanding Credits (Taken) Part

10 Invoices Not Found In Wakefern Part 11 Invoices Already Paid/Taken (Part 12) This part is

included only when an administrative fee is being levied against the payment Type C: This

report accompanies payments paid through the manual post reconciliation methodology.

Payments are made at invoice level only. No detail is available. SFS DSD Accounts Payable

Contacts: **EMAIL:** [dsdapinq@wakefern.shoprite.com](mailto:dsdapinq@wakefern.shoprite.com) **Mail:** SFS DSD Accounts Payable SF-

101 236 Raritan Center Parkway Edison, NJ 08837 FAX: 732-346-8939 Phone: Supervisor: 732-

417-3264 Quality Assurance Auditor: 732-417-3207