Defective and Damaged Returns

Begin with the procedure in “DC Procedure – FDA - EWA yymm.docx”:

Most often, the stores will return both defective products and damaged products on transfers to the supplying DC. For now, we are not changing anything about this step in the procedure. The following applies to stores and DCs that create any return P.O.s for anything other than new stock adjustments.

Warranty Return to Vendors Policy:

When we have defective parts that are covered by the mfr’s warranty, we expect credit from the vendor.

In this situation, the proper method to remove these parts from inventory is to create a return P.O. to the vendor. Look up the Line Code in Isis.

Field Destroy Policy:

We have a few lines which we do not return common defects to our vendors. We field destroy these parts.

In addition, we field destroy any part that we, or our customers have made unsellable (damaged), and are not covered by the mfr’s warranty.

Conditions:

* Not covered by an extended warranty that we sold.
* Not covered by the mfr’s warranty.
* Not sellable.

In these situations, the proper method to remove these parts from inventory is to create a return P.O. to the Field Destroy Account. This is vendor account #1297680 (U.S.) or #6667887 (Canada). Look up “FDA” in Isis. The P.O. total must be $0.00; offset the total of all parts with MISC code “SCRAP”. The return P.O. must be created and closed by your Regional Sales Manager (RM) or your Regional Inventory Control Manager (RICM). Use Return Code “DR” when defective and “DMG” when damaged.

Extended Warranty Field Destroy Policy:

This applies to tires and all other parts covered by any extended warranty that we sold.

Conditions:

* Covered by an extended warranty that we sold.
* Not covered by the mfr’s warranty.
* Not sellable.

In these situations, the proper method to remove these parts from inventory is to create a return P.O. to the Extended Warranty Account (formerly called the Tire Warranty Account. This is vendor account #1333582 (U.S.) or #6667903 (Canada). Look up “EWA”, “TWA”, or “XWA” in Isis. The return P.O. must be created and closed by your Regional Sales Manager (RSM) or your Regional Inventory Control Manager (RICM). Use Return Code “DMG”.

Summary:

We do not create return P.O.s to our regular vendors when we are not expecting credit.

These are the line codes that we do not return as defects to our vendors:

AVS

DEE

DEF

EGR

EXP - **except** classes: APL, EDENR, EDEPL, FOX, HYP, and HYP1

FAB - **except** coil over and reservoir shocks FLX

G/H

GSP

G/G & G/2 - **except** the gears that come from Midwest or P/G

HLA

LII

NIF

OUT

PCS

PCT

PCW

PSL

R/E

REC

S/B

T/M

V/A

WEA