

# NORDSTROM

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Return to Vendor (RTV) Claim Overview

Vendor Agreement for return of sellable product (Accommodation/Consolidation)

## PART I- Life Cycle of an RTV

RTV is a return that occurs outside the activity of a Purchase Order. The merchandise being returned is authorized by the vendor based on the Return Authorization process. There are many components within the RTV process and the following information highlights each component.

- **Return Authorization (RA)** - There are various reasons for returning merchandise and the RA number authorizes Nordstrom to do so. Nordstrom's buying office works with their respective Sales Rep to review and negotiate the details of a merchandise return. The Sales Rep provides the buyer with an RA number. The buyer communicates the RA number and RA details to the stores which initiates the RTV process.
- **RTV (Store) Transfer**- Once the stores are notified of the RA, they create the RTV transfer. When creating the RTV transfer, the store(s) scans the merchandise out of their inventory and sends it to their regional Distribution Center (DC). When scanning merchandise out of inventory, the cost of each item systemically pulls from our current 'Master Item file'. The merchandise is sent to the DC and the RTV transfer paperwork is enclosed with the merchandise. **(See Example B)**
- **RTV (DC) Packing Slip**-The RTV packing slip is generated at the time the DC executes the return. When generating the RTV, the DC consolidates the individual store RTV transfers, systemically creates the RTV packing slip and ships the merchandise back to the vendor. The system generates the RTV number and all corresponding detail. The DC encloses a copy of the RTV packing slip on the lead carton and identifies it with a sticker saying Important - Pack Slip enclosed. The RTV details interface to Accounts Payable (AP), deduct from the vendor's account and posts the RTV detail on the supplier portal. **(See Example C)**
- **RTV Summary Report**- This is a weekly report that is sent to vendors and includes high level recap of all RTVs shipped the prior week. This is a cumulative report that covers a 90 day timeframe and provides vendors visibility into what has been shipped over a 3-month period to cover the life-span of each RA number. Details regarding the specific returns are included in the corresponding paperwork enclosed with the returns and may also be accessed by viewing the chargeback on the supplier portal: <https://portal.nordstrom.com/pwe/welcome/>. **(See Example D)**

## PART II – Vendor Reconciliation

The physical reconciliation of RTVs is a critical piece of the overall RTV process. It's important to track and record what is physically received per each RTV (vs. per RA). The RA is what authorizes the return; however multiples RTVs can be shipped against one RA. The RA is the point of reference that should be used when tying off multiple returns. With regard to multiple returns-under one RA, please note:

- Nordstrom has 7 DCs (89,299,399,499,599/808,699,799) that return merchandise
  - Each DC can return merchandise under one RA, (therefore resulting in multiple shipments)
  - Within each DC, multiple RTVs can be generated under one RA, (therefore resulting in multiple shipments by same DC)
- Given the potential for multiple shipments against one RA, it is important for vendors to physically reconcile the merchandise return at the RTV level and compare the items received to the items on the RTV packing slip (which is enclosed in the lead carton of the return).

**RA-** RA number is the starting point for all merchandise returns and should be communicated to Vendors' respective AR/Credit teams. Nordstrom communicates the RA to vendors in several ways:

- RTV Merchandise Packing Slip (enclosed with merchandise return)
- RTV weekly summaries (emailed to vendor contact on file)
- Vendor's payment remit (referenced on email remit, paper remittance advice and ACH 820)
- Supplier portal (displayed when drilling into the Chargeback details)

**Merchandise Return** – Nordstrom DCs generate RTVs on a daily basis and the merchandise is shipped to the return address on file. Each return includes corresponding paperwork which should be utilized when reconciling the return. Below are the types of documents/paperwork sent with the merchandise:

- **Consolidated Claim Packaging- (See Example A)**
  1. The Claims Department receives "transfers" from the store packed and ready to be shipped to the supplier
  2. On the outside of the carton or 'transfer' there is a pouch. This pouch contains the 'Nordstrom Request for RTV Form' and a Nordstrom internal 'Bright Green Form'
- **Nordstrom Merchandise Packing Slip (Store Transfer)- (See Example B)**
  1. This provides store detail (VPN, UPC, etc.) of what was scanned out of store inventory and transferred to the DC
  2. The transfer number is located at the top; center of the transfer document and is referenced on the RTV packing slip under the Transfer column
- **Nordstrom Merchandise Packing Slip (DC RTV)- (See Example C)**
  1. This provides the RTV#, RA#, unit detail and store transfer information
  2. There is one packing slip per shipment (RTV) and this is packed into the lead carton and identified with a sticker saying Important - Pack Slip enclosed
  3. The warehouse should utilize this as baseline information for processing the merchandise return. NOTE: when processing the return please reconcile **per RTV** and record # of cartons received, # of units received by per style
  4. This information may also help the AR/Credit team when tying off the Credit Memos to the RTV(s) and the RTV(s) to the RA.

**PART III – RTV INQUIRY PROCESS**

For questions on RTVs (after the initial reconciliation is completed) please refer to the grid below for assistance with the category you are inquiring about.

- Copy of RTV
- Unit discrepancy (discrepancy in units deducted on RTV vs. units received back)
- Cost discrepancy (discrepancy in cost deducted on RTV vs. PO/invoice cost)
- Proof of Delivery (POD)
- NOTE: RTV Inquiry/Adjustment template can be located under the <Documentation> link within the AP Application of the supplier portal at <https://portal.nordstrom.com/pwe/welcome/>

RTV INQUIRY GRID				
Type of Inquir	Available Resources	Required Information or backup	Resolution	Nordstrom Contact Information
Copy of RTV	Vendors Receiving Warehouse	All paperwork is enclosed in return	Contact internal department(s) to obtain all paperwork enclosed with return	n/a
	Supplier Portal	Select the 'Display Details' icon when drilling into the RTV on the supplier portal	Access RTV Detail via the supplier portal	<a href="https://portal.nordstrom.com/pwe/welcome/">https://portal.nordstrom.com/pwe/welcome/</a>
Unit Variance	Details from Vendor's Receiving/Warehouse	<ul style="list-style-type: none"> <li>•Number of cartons received back (per RTV)</li> <li>•Details of items not received (units, style, etc.) per RTV</li> <li>•RTV Inquiry template (found under Documentation link within the AP application of the supplier portal)</li> </ul>	Submit RTV Inquiry template (inclusive of corresponding details; total cartons received per RTV, etc.) to Nordstrom for research	<a href="mailto:merch.ap@nordstrom.com">merch.ap@nordstrom.com</a>
	Paperwork enclosed with return			
Cost Variance	RTV Detail enclosed with return	<ul style="list-style-type: none"> <li>•Details of style(s) in question</li> <li>•Explanation of what is being disputed</li> <li>•Provide what the correct cost should be</li> <li>•Provide PO number verifying correct cost</li> <li>•RTV Inquiry template (found under Documentation link within the AP application of the supplier portal)</li> </ul>	Submit RTV Cost Adjustment template with corresponding details	<a href="mailto:merch.ap@nordstrom.com">merch.ap@nordstrom.com</a>
Proof of Delivery (POD)	RTV Weekly Summary	<ul style="list-style-type: none"> <li>•Verify 'Ship To' location on Summary is correct</li> <li>•Check with warehouse for return and Summary detail</li> </ul>	If the return address is not correct, please email the name(s) referenced under 'Nordstrom Contact Information' of grid	<a href="mailto:rita.maj@nordstrom.com">rita.maj@nordstrom.com</a> <a href="mailto:bruce.anderson@nordstrom.com">bruce.anderson@nordstrom.com</a>
	Vendors Receiving Warehouse	<ul style="list-style-type: none"> <li>•Work with internal receiving/warehouse to confirm # of cartons received back and the details of contents per carton/per RTV prior to contacting DC</li> </ul>	Contact internal department(s) for verification of merchandise was returned and all corresponding details (per RTV)	n/a
	DC generating RTV	<ul style="list-style-type: none"> <li>•Include confirmation that preliminary research was completed and AR worked with internal receiving/warehouse as first point of research</li> <li>•Confirm in email, to DC that the 'Ship To' referenced on the RTV weekly Summary reflects correct return address</li> <li>•Provide # of cartons receiving/warehouse shows receiving back</li> </ul>	If after working with your internal warehouse, additional assistance is needed, please email the Nordstrom DC generating the return with the required back up	DC originating return

## PART IV- EXAMPLES

### **Example A –Consolidated Claim Packaging**

The DC Claims Department receives “transfers” from the store packed and ready to be shipped to the supplier. On the outside of the carton or “transfer” there is a pouch. This pouch notes the following information:

#### **The Bright Green Form**

The form is a 'Bright Green Form' used for consolidated claim packaging. It contains the following information:

To Store # 499	Total Units 4
From Store # 706	Dept # or Ward 183
Shipping Options	
Needed-By Date:	
Package Type: <input checked="" type="checkbox"/> Normal Surface <input type="checkbox"/> Expedite Route Type: <input type="checkbox"/> Delivery Service <input type="checkbox"/> Hand Car	76047389
Comments: RA#	
2850098790	

Additional form fields include:

- Is Direct participating in this RTV: [ ] Yes [ ] No
- Date RTV must leave stores: [Redacted]
- Date must leave DC (if consolidated): [Redacted]
- RTV Create Date (date posted to Sharepoint): 9/26/2011
- RTA Expiration Date (that date Supplier will accept delivery of the return): 12/26/2011
- Vendor Number: [Redacted]
- 2850098790 (bottom right)

This form contains:

- The number of units in the carton
- The store number the carton is from.
- Transfer number
- The RA number

PART IV- EXAMPLES cont'd

**Example B - (Store Transfer) Merchandise Packing Slip**

NORDSTROM		MERCHANDISE PACKING SLIP		TRANSFER NUMBER 76047389	DATE PRINTED: 09/29/2011	
HEADER				TRANSFER STATUS Approve	User: z5kn	
Supplier Number:	1234567891011			SHIPPING		
Supplier Name:	ABC TOP Company					
Vendor Number:	111111					
Ship Location:	706					
Ship Loc. Name:	ALA MOANA					
Recv. Location:	499					
Recv. Loc. Name:	N CALIF DC					
Dept Number:						
Transfer Type:	Return to Vendor					
Reason:	RTV Consolidated					
Ship Date:						
Comments:						
RA# 2850098790						
Dept Class VPN	UPC	UPC Description	Reason	Unit Retail	Qty	Extended Retail
0183 0011 1224	123456789101112	1224 LS GUN METAL			1	
0183 0011					1	
0183 0015					1	
0183 0015					1	
Totals:					4	

The (Store) Transfer Number listed above is also located under the 'Transfer Number Column' referenced on the DC RTV Packing Slip (see example C)

The Store transfer document lists the contents of the case. If multiple cases are received, the supplier can match the transfer number, found at the top of this document to the transfer number found on the bright green form (see Example A). The units listed on this RTV Transfer packing slip should match the physical contents of the carton. Store Transfers are then added to a DC Claim. The DC Claim document contains all of the "transfers" therefore the supplier can match the "transfers" shown above to the transfers shown on the DC Claim (see Example C).

PART IV- EXAMPLES cont'd

**EXAMPLE C -Nordstrom Merchandise Packing Slip (DC RTV)**

CUI1RO

10/25/11 At 13:51:13  
Page: 1

NORDSTROM MERCHANDISE PACKING SLIP

Rtv Number: 492101

Supplier Number 123456  
Supplier Name  
Vendor Number ABC  
Ship Location : 499  
Ship Locn Name : Newark DC  
RA Number : 2850098790  
PO Number :  
Inbound Shipment:  
Ship Date :  
Carrier :

Supplier Address:  
ABC Company  
89765432112  
NEW YORK, NY 10018  
Ship to Address  
123456 Circle  
73221 132nd Ave East Chicago Illinois, 62154  
73221 132nd Ave East

Supplier Correspondence Address  
Newark DC  
37599 Filbert Str.  
Newark, CA 94560

Comments

Note to Supplier:

Dept	VPN	UPC	UPC Description	Store	Transfer#	Reason	Cost	Retail	Qty	Cost	Retail
183	BE		BE	706	76047389	DC CONSOL			1		
183	BE3		BE	706	76047389	DC CONSOL			1		
183	BE41		BE	706	76047389	DC CONSOL			1		
183	BE41		BE	706	76047389	DC CONSOL			1		
Subtotals for Store #: 706									4		
Totals:									4	334.00	820.00

Handling Fee :  
Shipping Charges :  
Total Cartons shipped: 1

This is the RTV Number generated by the DC and deducted from your check

NORDSTROM MERCHANDISE PACKING SLIP

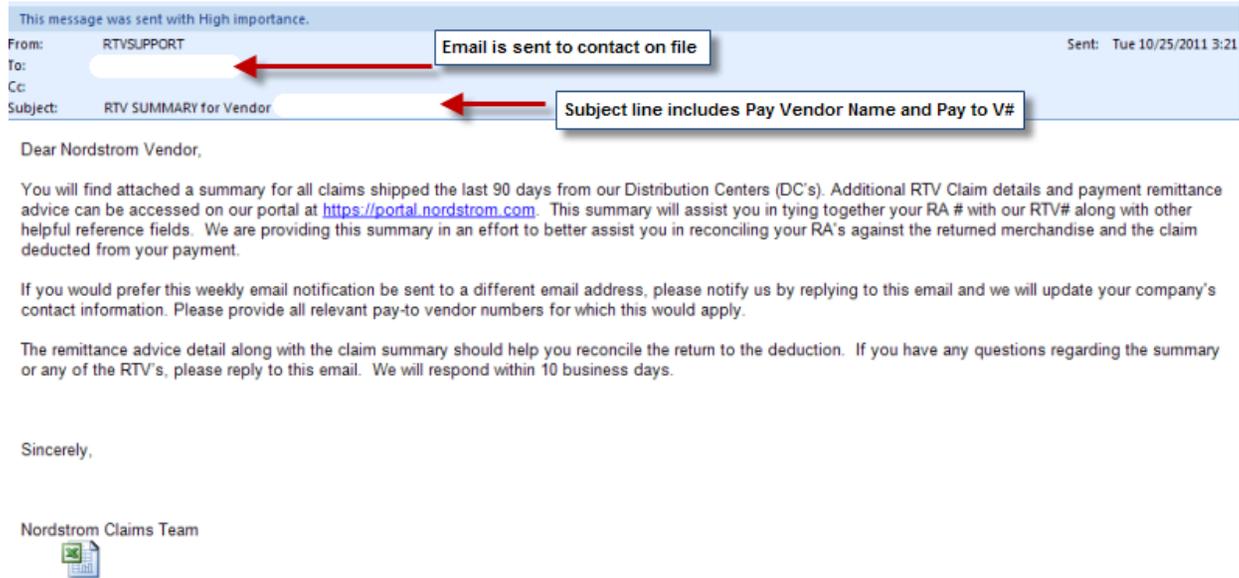
This is the RTV Packing slip generated by the DC and is enclosed with the return

This is the RA number associated to RTV. This RA is referenced on all RTV's when

Store Transfers (see example B) are referenced on the DC RTV Packing Slip. Suppliers should use these transfer fields as a point of reference when tying off RTV

**PART IV- EXAMPLES cont'd**

**EXAMPLE D**-Weekly RTV Summary is an email notice which includes a cumulative report that covers a 90 day timeframe and provides vendors visibility into what has been shipped over a 3-month period to cover the life-span of each RA number. The cumulative report provides high level information regarding the shipment such as RA Number, Ship to City, Ship Date, etc.



RTV Claims for 6/19/2011 - 9/17/2011											
Vendor Number	Vendor Name	Supplier Number	Supplier Name	RA Number	RTV Number	DC	Ship Date	Ship To City	Units	Total Cost	
123456	DM LLC	123456789	DUNDER MIFFLIN	123400	922873	399	8/29/2011	SCRANTON	48	\$278.04	
123456	DM LLC	123456789	DUNDER MIFFLIN	123400	891890	89	9/15/2011	SCRANTON	1414	\$9,812.78	
123456	DM LLC	123456789	DUNDER MIFFLIN	123400	891436	89	8/25/2011	SCRANTON	48	\$367.20	
123456	DM LLC	123456789	DUNDER MIFFLIN	123400	490322	499	8/31/2011	SCRANTON	809	\$5,799.58	
123456	DM LLC	123456789	DUNDER MIFFLIN	123400	923281	399	8/31/2011	SCRANTON	47	\$274.50	
123456	DM LLC	123456789	DUNDER MIFFLIN	123400	923564	399	9/1/2011	SCRANTON	1257	\$8,849.74	

The RTV Summary is an excel report that is sent as weekly notification. This is a 90-day cumulative recap of all RTVs shipped out by Nordstrom DCs and notifies vendors of merchandise being returned. This weekly report includes the RA number associated to each RTV, which is critical information when reconciling multiple RTVs within the same RA. **NOTE:** If the RA field is blank, the RTV listed is associated to a Purchase Order violation therefore no RA is required.