

**BOOKNET  
CANADA**

## **EDI Return Processing An overview**

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## Table of Contents

Change Log .....	1
Business opportunities: .....	2
Operational questions: .....	3
EDI & Systems Requirements and Notes.....	4
EDI & Systems Requirements and Notes.....	6
Retailer issues Return Merchandise Notification request .....	7
Supplier processes Retailer Merchandise Notification .....	8
Sample EDI documents.....	13



## **Change Log**

**Dec 31, 2005 (Doug Minett):**

**First draft**

**Will include: business opportunities, operational considerations, flow charts, sample documents.**

**Todo: sample documents**



### **Business opportunities:**

- **Improved supplier awareness of retailer inventory/return intentions, permitting consideration of markdown/remainder-in-place strategies.**
- **Supplier/retailer opportunity to markdown/remainder-in-place, creating sales opportunities while reducing return handling costs.**
- **Supplier/retailer opportunity to seize upon late breaking reasons for retailer to maintain inventory levels on *selected* items proposed for return.**
- **Supplier/retailer opportunity to automate terms-of-sale screening of proposed returns to reduce double-handling of refused items.**
- **Supplier opportunity to automated physical return processing, dramatically reducing handling costs and processing backlogs.**
- **Supplier opportunity to automated merging of physical return process with its financial component, the debit memo.**
- **Supplier opportunity to automate processing of markdown/remainder-in-place debit memos.**
- **Retailer opportunity to automate reconciliation and exception processing of debit memo and credit memo.**



### **Operational questions:**

- **Will supplier/retailer support markdown/remainder-in-place? How will supplier implement this automation? How will retailer implement operational decisions on acceptance of supplier special offers.**
- **Will supplier/retailer seize opportunity to consider late breaking reasons for retailer to maintain inventory levels on *selected* items proposed for return. How will supplier implement this automation? How will retailer implement exception processing of supplier proposals.**
- **How will retailer respond to supplier terms-of-sale screening rejections?**
- **How will retailer organize packing of physical return to support carton level detail (or not). How will supplier implement automated receiving of physical return (and exceptions).**
- **How will supplier manage automated merging of physical return process with its financial component, the debit memo. How will exceptions be handled?**
- **How will supplier manage automated processing of markdown/remainder-in-place debit memos. How will exceptions be handled**
- **How will retailer handle automated reconciliation and exception processing of debit memo and its related credit memo.**



## **EDI & Systems Requirements and Notes**

### **Notes on document sequence:**

- **Step #1:** The retailer generates a 180N (Return Merchandise Notification request) for items that it wishes to return, or potentially markdown.
- **Step #2:** The supplier processes the request. Considerations during the processing may include: checking whether the items were purchased by the retailer, checking whether the items are still returnable, considering whether to offer markdowns if the items are not returned, considering whether to provide exception notes to retailer to encourage that they continue to hold an item.
- **Step #3:** The supplier generates a 180A (Return Merchandise Authorization response) which provides a complete response to the 180N. The response may include reasons for rejection, general RMA #, markdown authorization #(s), or exception notes for consideration by the retailer.
- **Step #4:** The retailer does exception processing of the 180A that facilitates further consideration prior to final decisions to return/destroy goods, accept markdown offer(s).
- **Step #5:** The retailer generates 856R (Advanced Ship Notice for returns), quoting necessary authorization numbers for supplier.
- **Step #6a:** Following generation of the 856R and shipment of physical goods, 810DR (Invoice – Debit Memo) is generated, quoting necessary authorization numbers from the supplier.
- **Step #6b:** Where markdown offer(s) are accepted, 810DR (Invoice – Debit Memo) is generated, quoting necessary authorization numbers from the supplier to obtain the offer.
- **Step #7:** The supplier processes the various 810DR documents. This may involve cross-referencing an 810DR with an 856R as well as a previously sent 180A, or merely cross-referencing an 810DR with the previously sent 180A – in the case of markdown offer(s).
- **Step #8:** The supplier generates an 810CR credit memo document in response to the 810DR.
- **Step #9:** The retailer does exception processing that compares the 810CR against the original 810DR.





## EDI & Systems Requirements and Notes

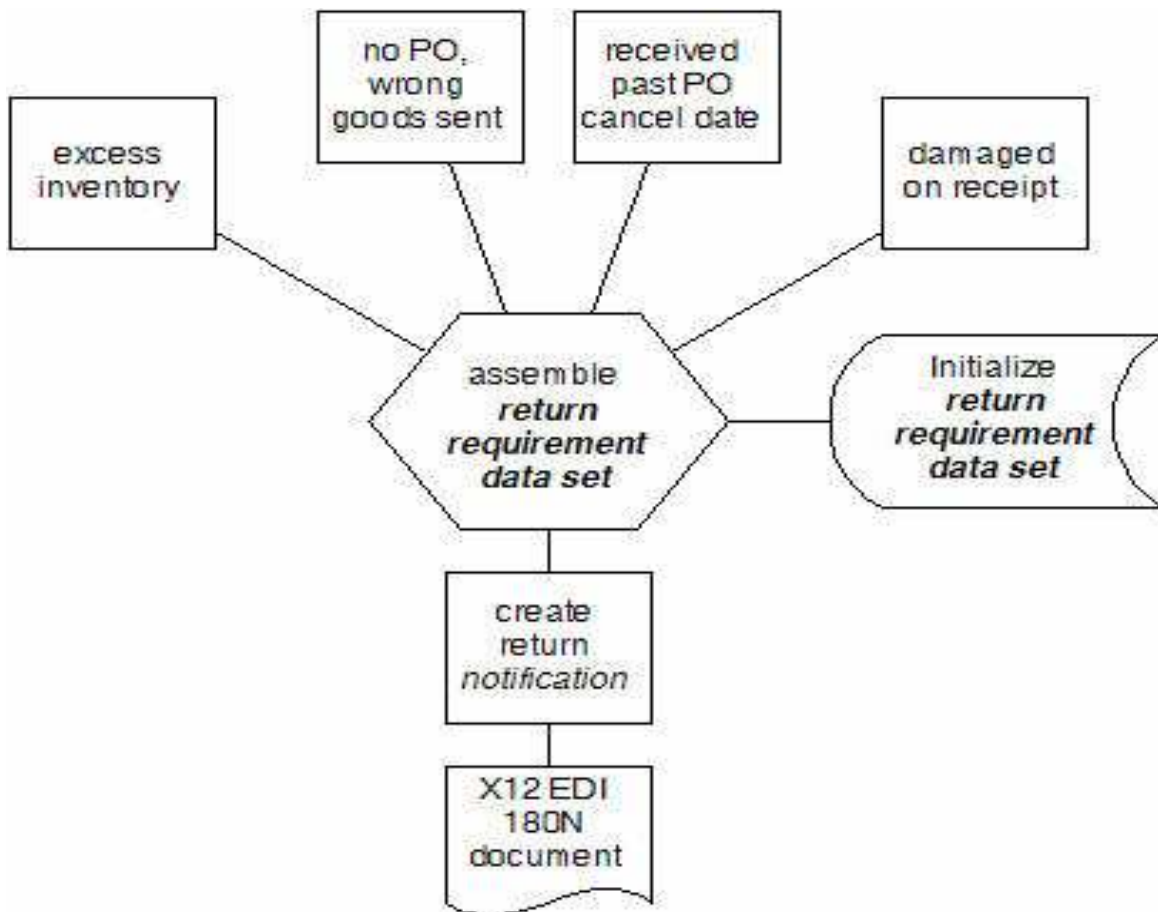
### Note on reference numbers:

- **Transaction reference link (return request #) between 180N and 180A:** The value sent within the 180N BGN02 must be returned within the BGN06 in the 180A. The retailer will typically use this reference number to identify the *return requirement data set*.
- **Transaction reference link (claim ID#) between 856R, 810DR and 810CR:** The value sent within REF02 of the 856R REF 'D9' segment must be repeated in the BIG02 in the 810DR and returned by the supplier in the REF 'D9' in the 810CR. The retailer will typically use this reference number to identify a unique subset of the *return requirement data set* that relates to a specific financial transaction – whether with a physical return component or not.
- **Authority reference for return (RMA#) (where applicable) link between 180A, 856R, 810DR, and 810CR:** The value sent within N902 of the N9 'RZ' segment in the 180A must be returned within the REF02 of the REF 'RZ' segment in the 856R, and the 810DR. The supplier will typically use this reference number to confirm authority for an entire transaction.
- **Authority reference for markdown (authorization #) (where applicable):** The value sent within N902 of the N9 'BB' segment in the 180A must be returned within REF02 of the REF 'BB' segment and in the 810DR (in Table 1 (document level) or where Table 1 value is over-ridden, in Table 2 (line level)). The supplier will typically use this reference number to confirm authority for special terms for a specific item.



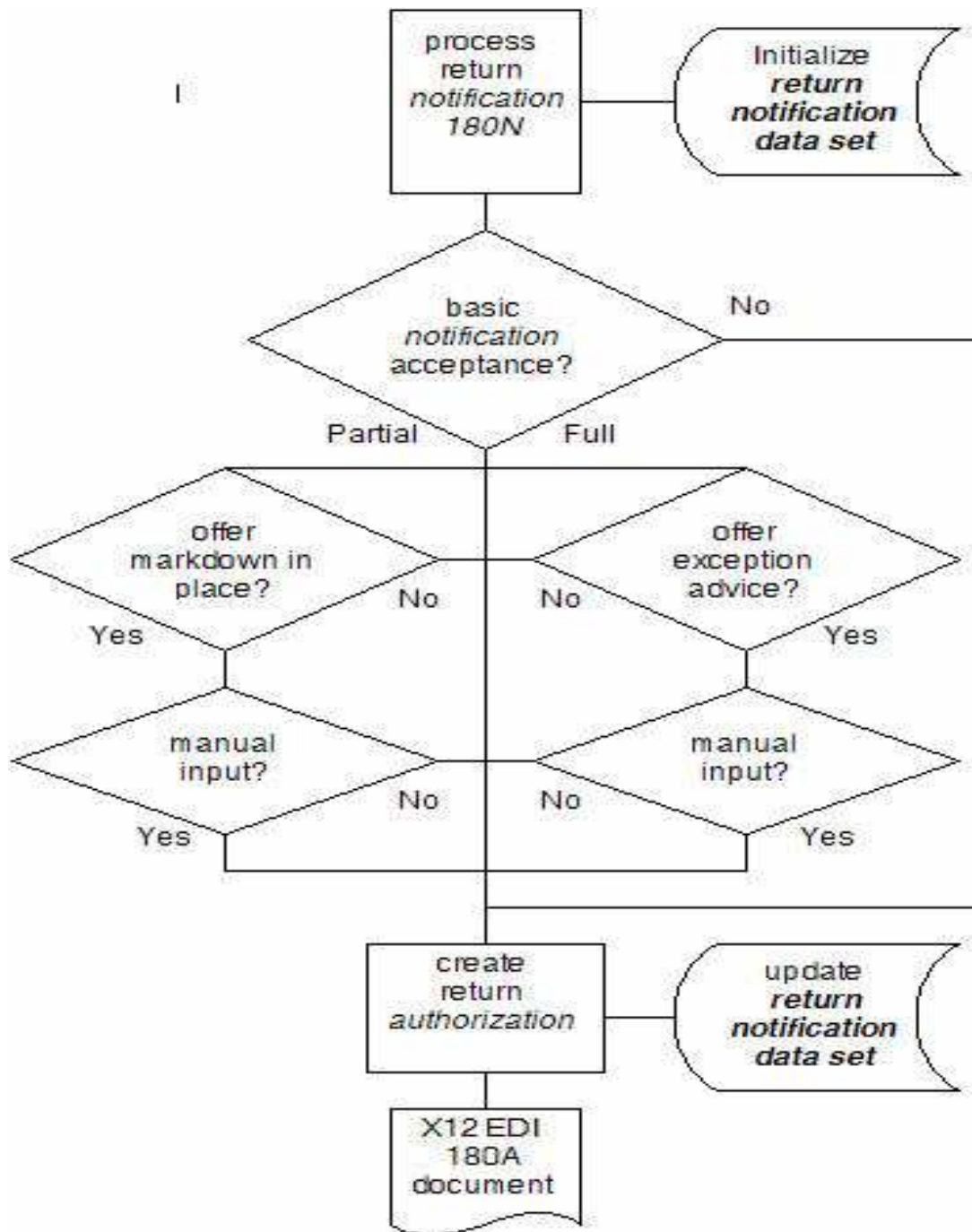


**Retailer issues Return Merchandise Notification request  
(start of return process)  
Diagram #1**





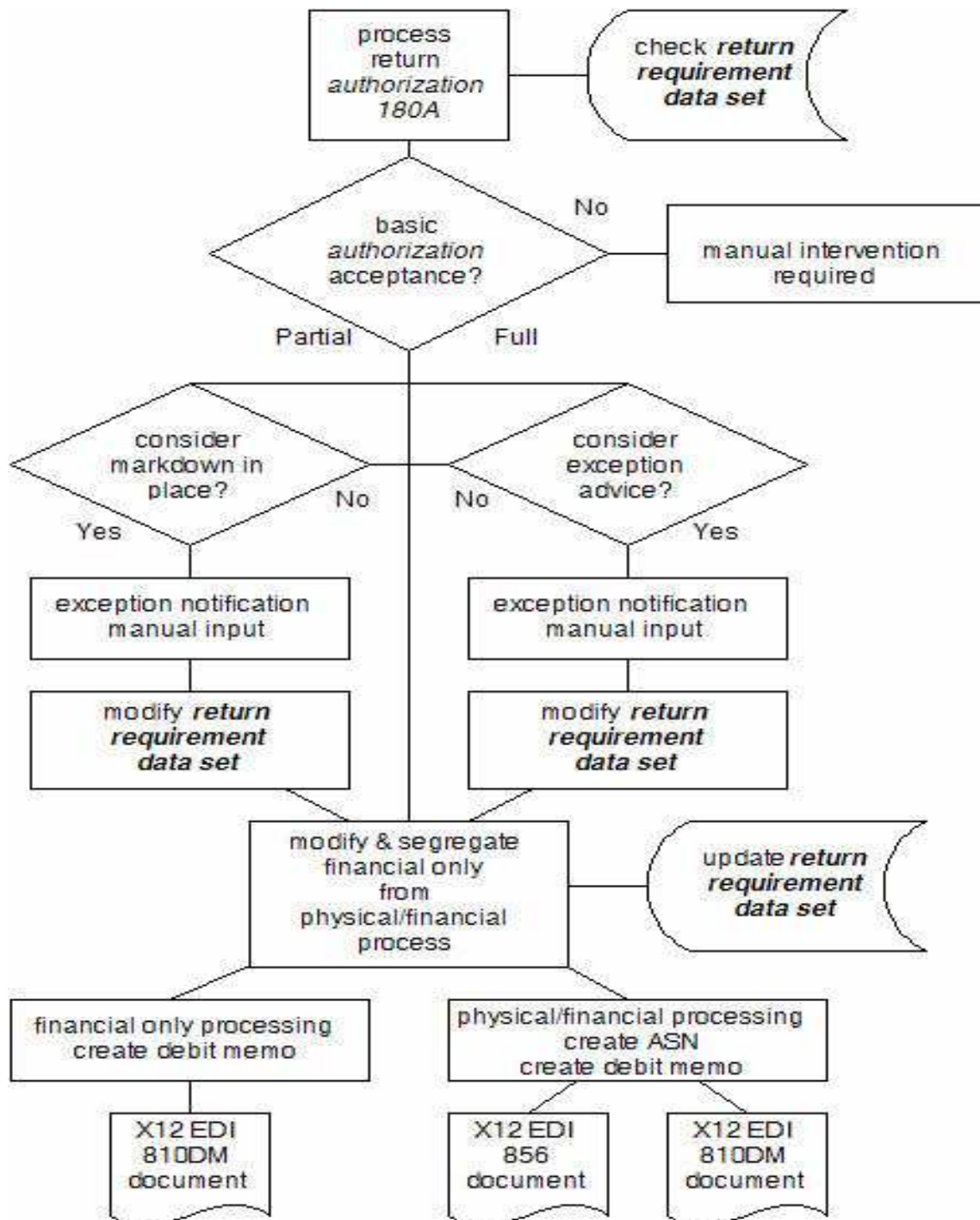
### Supplier processes Retailer Merchandise Notification Supplier issues Return Merchandise Authorization response Diagram #2





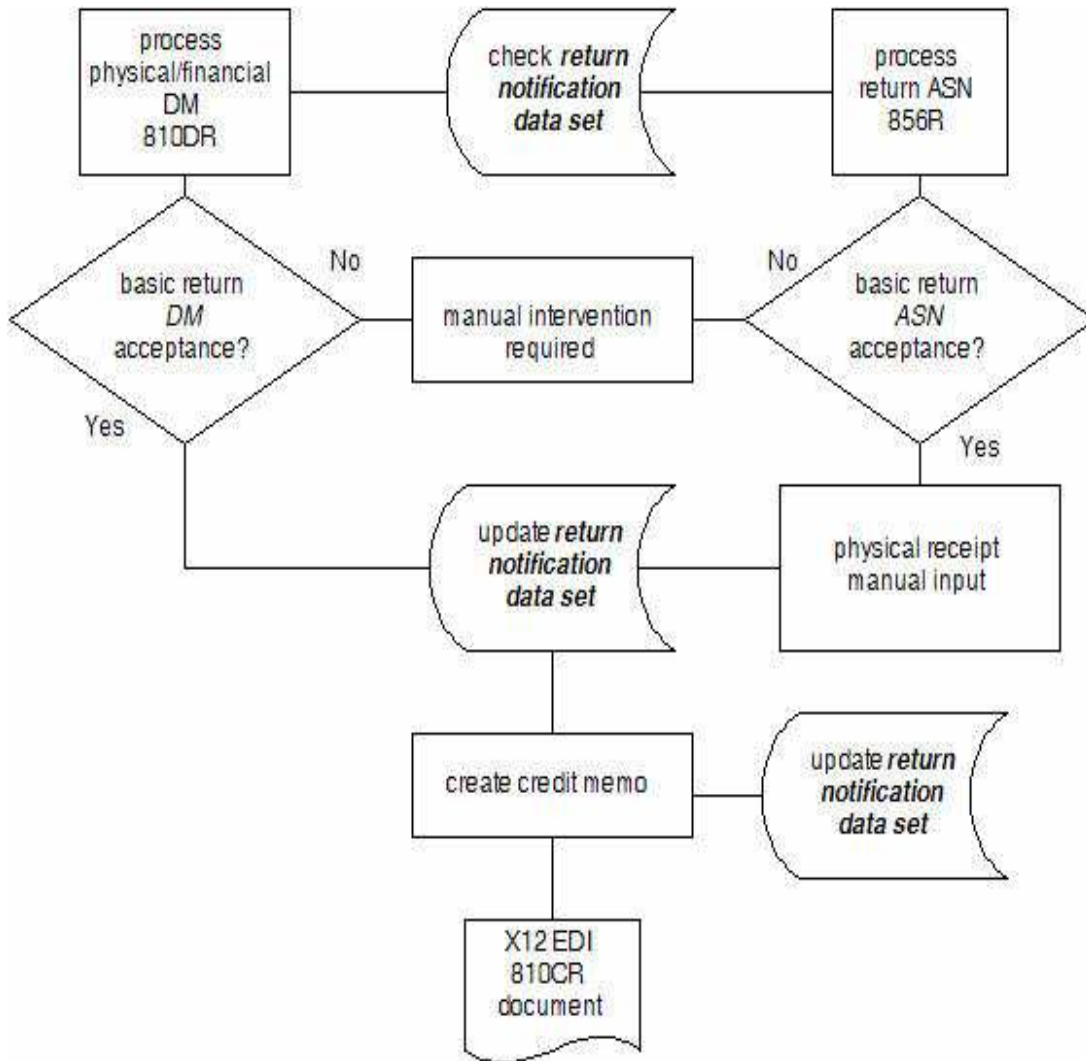


### Retailer processes Supplier Retail Merchandise Authorization Retailer issues Return ASN and/or Return Debit Memo Diagram #3

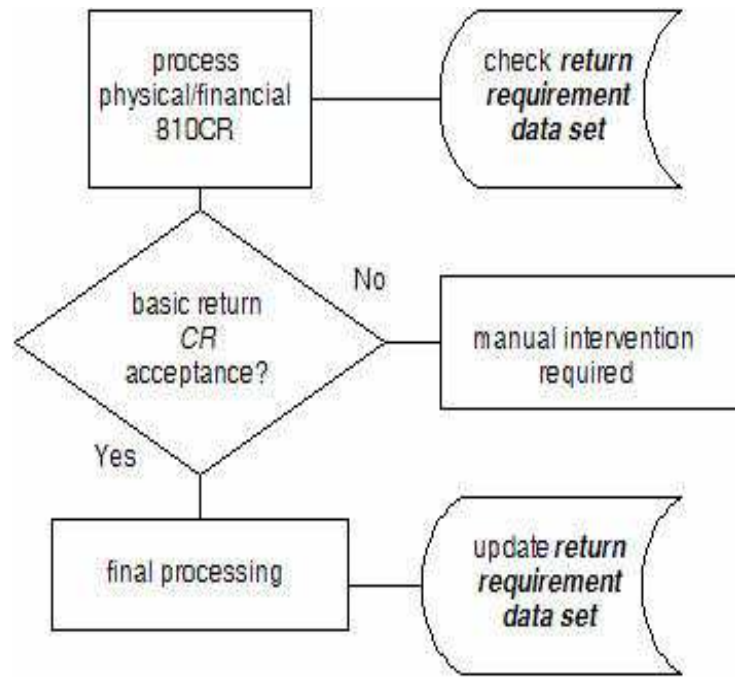




**Supplier processes receipt of physical goods  
and/or associated debit memo  
Supplier issues credit memo  
Diagram #4**



**Retailer processes credit memo  
(End of return process)  
Diagram #5**





Sample EDI documents

180N

(case: simple return notification)

ST\*180\*0001  
BGN\*13\*1234567\*20051226\*\*\*\*RD  
*PER\*BD\*JIM BARKER\*EM\*jim@retailer.ca\*WP\*4168889999*  
N1\*BT\**RETAILER NAME*\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\**VENDOR NAME*\* 15\*1234567  
*DTM\*244\*20051230*  
BLI\* IB\*1020304051\*5\*EA\*10.36\*NET  
PID\*F\*\*\*\*BOOK OF THE MONTH  
*RDR\*\*DA*  
BLI\* IB\*1020304051\*225\*EA\*10.36\*NET  
PID\*F\*\*\*\*BOOK OF THE YEAR  
*RDR\*\*EI*  
BLI\* IB\*1020304052\*325\*EA\*10.36\*NET  
PID\*F\*\*\*\*BOOK OF THE DECADE  
*RDR\*\*EI*  
BLI\* IB\*1020304053\*425\*EA\*10.36\*NET  
PID\*F\*\*\*\*BOOK OF THE CENTURY  
*RDR\*\*EI*  
SE\*20\*0001

**Sample EDI documents  
180N  
(case: simple return notification, including invoice #s)**

ST\*180\*0001  
BGN\*13\*1234567\*20051226\*\*\*\*RD  
*PER\*BD\*JIM BARKER\*EM\*jim@retailer.ca\*WP\*4168889999*  
N1\*BT\**RETAILER NAME*\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\**VENDOR NAME*\* 15\*1234567  
*DTM\*244\*20051231*  
BLI\* IB\*1020304050\*5\*EA\*10.36\*NET  
N9\*OI\*1234  
PID\*F\*\*\*\*BOOK OF THE MONTH  
*RDR\*\*DA*  
BLI\* IB\*1020304051\*225\*EA\*10.36\*NET  
N9\*OI\*1234  
PID\*F\*\*\*\*BOOK OF THE YEAR  
*RDR\*\*EI*  
BLI\* IB\*1020304052\*325\*EA\*10.36\*NET  
N9\*OI\*5678  
PID\*F\*\*\*\*BOOK OF THE DECADE  
*RDR\*\*EI*  
BLI\* IB\*1020304053\*425\*EA\*10.36\*NET  
N9\*OI\*9012  
PID\*F\*\*\*\*BOOK OF THE CENTURY  
*RDR\*\*EI*  
SE\*24\*0001





Sample EDI documents  
180A  
(case: simple return authorization)

- Return proposal rejected on 1 title
- RMA# not included (not required – see RDR01)
- Markdowns not
- Exception advice not offered

ST\*180\*0001  
BGN\*13\*001\*20051226\*\*\*1234567\*RD  
*PER\*BD\*JIM BARKER\*EM\*jim@retailer.ca\*WP\*4168889999*  
N1\*BT\**RETAILER NAME*\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\**VENDOR NAME*\* 15\*1234567  
*DTM\*244\*20051231*  
BLI\* IB\*1020304050\*5\*EA\*10.36\*NET  
PID\*F\*\*\**BOOK OF THE MONTH*  
*RDR\*RN*  
BLI\* IB\*1020304051\*225\*EA\*10.36\*NET  
PID\*F\*\*\**BOOK OF THE YEAR*  
*RDR\*RD\*\*RT*  
BLI\* IB\*1020304052\*325\*EA\*10.36\*NET  
PID\*F\*\*\**BOOK OF THE DECADE*  
*RDR\*RN*  
BLI\* IB\*1020304053\*425\*EA\*10.36\*NET  
PID\*F\*\*\**BOOK OF THE CENTURY*  
*RDR\*RN*  
SE\*20\*0001

Sample EDI documents  
180A

(case: return authorization with additional functionality)

- Return proposal rejected on 1 title
- RMA# included (and required – see RDR01)
- Markdown offered on 1 title (50% off)
- Exception advice offered on 1 title

ST\*180\*0001  
BGN\*13\*001\*20051226\*\*\*1234567\*RD  
REF\*RZ\*rma#123  
*PER\*BD\*JIM BARKER\*EM\*jim@retailer.ca\*WP\*4168889999*  
N1\*BT\*RETAILER NAME\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\*VENDOR NAME\* 15\*1234567  
*DTM\*244\*20051231*  
BLI\* IB\*1020304050\*5\*EA\*10.36\*NET  
PID\*F\*\*\*\*BOOK OF THE MONTH  
*RDR\*RA*  
BLI\* IB\*1020304051\*225\*EA\*10.36\*NET  
PID\*F\*\*\*\*BOOK OF THE YEAR  
*RDR\*RD\*\*RT*  
BLI\* IB\*1020304052\*325\*EA\*10.36\*NET  
N9\*BB\*markdown#123  
PID\*F\*\*\*\*BOOK OF THE DECADE  
*RDR\*RA*  
SAC\*A\*E800\*\*\*\*2\*.5\*\*\*\*\*05  
BLI\* IB\*1020304053\*425\*EA\*10.36\*NET  
PID\*F\*\*\*\*BOOK OF THE CENTURY  
*RDR\*RA \*\*\*are you kidding? Oprah is going to hype this next month!*  
SE\*23\*0001



Sample EDI documents  
856R  
(case: physical return with no authorization #)

ST\*856\*0001  
BGN\*13\*001\*20051226\*\*\*1234567\*RD  
BSN\*00\*1234567\*20060115\*1105\*0001  
DTM\*011\*20060115  
HL\*1\*\*S  
TD1\*CNT25\*5\*\*\*\*G\*50\*KG  
TD5\*\*\*\*M\*CARRIER ONE  
REF\*BM\*bl#123  
N1\*ST\* *VENDOR NAME* \*15\*1111111  
N1\*SF\* *RETAILER NAME* \*15\*1234567  
HL\*2\*1\*O  
REF\*D9\*claim#999  
HL\*3\*2\*P  
MAN\*CA\*10100001901234567890  
HL\*4\*3\*I  
LIN\*1\* IB\*1020304050  
SN1\*\*5\*EA  
PID\*F\*\*\*\* BOOK OF THE MONTH  
HL\*5\*3\*I  
LIN\*2\*IB\*1020304052  
SN1\*\*325\*EA  
PID\*F\*\*\*\* BOOK OF THE DECADE  
HL\*6\*2\*P  
MAN\*CA\*10100001901234567890  
HL\*7\*6\*I  
LIN\*3\*IB\*1020304053  
SN1\*\*400\*EA  
PID\*F\*\*\*\* BOOK OF THE CENTURY  
CTT\*7\*730  
SE\*30\*0001



Sample EDI documents  
856R  
(case: physical return with authorization #)

ST\*856\*0001  
BGN\*13\*001\*20051226\*\*\*1234567\*RD  
BSN\*00\*1234567\*20060115\*1105\*0001  
DTM\*011\*20060115  
HL\*1\*\*S  
TD1\*CNT25\*5\*\*\*\*G\*50\*KG  
TD5\*\*\*\*M\*CARRIER ONE  
REF\*BM\*bl#123  
N1\*ST\* *VENDOR NAME* \*15\*1111111  
N1\*Sf\* *RETAILER NAME* \*15\*1234567  
HL\*2\*1\*O  
REF\*D9\*claim#999  
REF\*RZ\*rma#123  
HL\*3\*2\*P  
MAN\*CA\*10100001901234567890  
HL\*4\*3\*I  
LIN\*1\* IB\*1020304050  
SN1\*\*5\*EA  
PID\*F\*\*\*\* BOOK OF THE MONTH  
HL\*5\*3\*I  
LIN\*2\*IB\*1020304052  
SN1\*\*325\*EA  
PID\*F\*\*\*\* BOOK OF THE DECADE  
HL\*6\*2\*P  
MAN\*CA\*10100001901234567890  
HL\*7\*6\*I  
LIN\*3\*IB\*1020304053  
SN1\*\*400\*EA  
PID\*F\*\*\*\* BOOK OF THE CENTURY  
CTT\*7\*730  
SE\*31\*0001



Sample EDI documents  
810DR  
(case: physical return with authorization #)

ST\*810\*0001  
BIG\*20060115\*claim#999\*\*\*\*\*60  
CUR\*SE\*USD  
REF\*RZ\* rma#123  
REF\*BM\* bl#123  
N1\*BT\**RETAILER NAME*\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\**VENDOR NAME*\* 15\*1234567  
*DTM*\*011\*20060115  
IT1\*1\*5\*EA\*10.36\*NT\*IB\*1020304050  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\*BOOK OF THE MONTH  
IT1\*1\*325\*EA\*10.36\*NT\*IB\*1020304052  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\* BOOK OF THE DECADE  
IT1\*1\*400\*EA\*10.36\*NT\*IB\*1020304053  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\* BOOK OF THE CENTURY  
TDS\*809220  
TXI\*GS\*529.40  
ISS\*1\*CT\*150\*KG  
CTT\*3\*730  
SE\*23\*0001



Sample EDI documents  
810DR

(case: financial only for markdown/remainder-in-place)

ST\*810\*0001  
BIG\*20060115\*claim#1000\*\*\*\*\*BB  
CUR\*SE\*USD  
N1\*BT\**RETAILER NAME*\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\**VENDOR NAME*\* 15\*1234567  
IT1\*1\*325\*EA\*10.36\*NT\*IB\*1020304052  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\* BOOK OF THE DECADE  
SAC\*A\*E800\*\*\*\*2\*.5\*\*\*\*\*05  
REF\*BB\*markdown#123  
TDS\*180135  
TXI\*GS\*11785  
CTT\*1\*325  
SE\*15\*0001



Sample EDI documents  
810CR  
(case: physical return)

ST\*810\*0001  
BIG\*20060115\*inv#3999\*\*\*\*\*CR  
CUR\*SE\*USD  
REF\*D9\*claim#999  
N1\*BT\**RETAILER NAME*\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\**VENDOR NAME*\* 15\*1234567  
IT1\*1\*5\*EA\*10.36\*NT\*IB\*1020304050  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\*BOOK OF THE MONTH  
IT1\*1\*325\*EA\*10.36\*NT\*IB\*1020304052  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\* BOOK OF THE DECADE  
IT1\*1\*400\*EA\*10.36\*NT\*IB\*1020304053  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\* BOOK OF THE CENTURY  
TDS\*809220  
TXI\*GS\*529.40  
CTT\*3\*730  
SE\*20\*0001



Sample EDI documents  
810CR

(case: financial only for markdown/remainder-in-place)

ST\*810\*0001  
BIG\*20060115\*inv#4000\*\*\*\*\*CR  
CUR\*SE\*USD  
REF\*D9\*claim#1000  
N1\*BT\**RETAILER NAME*\* 15\*1234567  
N1\*ST\*STORE #1\*15\*1111111  
N1\*VN\**VENDOR NAME*\* 15\*1234567  
IT1\*1\*325\*EA\*10.36\*NT\*IB\*1020304052  
CTP\*\*SLP\*12.95\*\*\*DIS\*.8  
PID\*F\*\*\*\* BOOK OF THE DECADE  
SAC\*A\*E800\*\*\*\*2\*.5\*\*\*\*\*05  
TDS\*180135  
TXI\*GS\*11785  
CTT\*1\*325  
SE\*15\*0001