

VENDOR RELATIONS & ACCOUNTS PAYABLE

Vendor Relations

The goal of the Burlington’s Vendor Relations department is to work together with its vendors to create strong and successful partnerships. They are your single point of contact for questions vendors may have regarding compliance issues, Accounts Payable, and EDI/Gateway inquiries. We encourage open and proactive communication to avoid issues before they arise.

Charges/Deductions

There are different types of charges and deductions that may appear on your check. A “chargeback” is any compliance related charge and will appear on your check with the prefix of “VC” or “FRT”. A “deduction” is an invoice debit taken by Accounts Payable.

Deductions/charges must be disputed within 6 months of receipt. Charges disputed outside of the 6 month window will not be reviewed. Please do not accumulate charges for dispute on a monthly, quarterly, seasonal, or annual basis.

Accounts Payable Deductions

AD- Advertising debit	FX- Fixture
AN- Anticipation	LH- Legal hold/charge
CO- Commission	MD- Mark down
CR- Credit	NSD- New store discount
D- Discount	PMDSE- Pre-payment of a wire
DMC – Price difference, discount, substitution	R- Received short, Recall, RTV/ Buyer’s request
DMQ - Shortage	STL- Settlement
DMCCMQDMQ – Discount on repayment of shortage	

Vendor Compliance Charges (VC)

Vendor Compliance charges are issued when disruptions occur in our distribution centers and affects the receiving of merchandise caused by the vendor. Burlington Stores has created a compliance rule list that is intended to recover any additional costs incurred due to vendor non-compliance.

Below is the compliance rule list in its entirety. Charge amounts for a specific incident will be calculated based on a number of variables; for example, carton count, PO cost, PO units, etc. If you require further clarification, please do not hesitate to reach out to the Vendor Relations department at 609-387-7800 x73318 or Vendor.Relations@BurlingtonStores.com.

Charge Category	Compliance Rule	Rule Description	Minimum Charge	Maximum Charge
Carton Information	480	Barcoded label on carton not scannable	\$125	
	2005	Invalid carton number	\$250	\$2,000
	1989	Duplicate carton number	\$250	\$2,000
	470	Shipping label in wrong location	\$125	\$1,500
	340	Required information missing from labels	\$125	\$1,500
	435	Carton labels are in wrong location	\$125	\$1,500
	445	Shipping label could not scan, print was too light	\$125	\$1,500
	1405	Shipping label could not scan because the label was missing a barcode	\$125	\$1,500
	475	No UCC128 barcode shipping label	\$25	\$1,500
Floor Ready Issues	780	Tickets on merchandise are for a different retailer	\$100	
	800	Incorrect ticket placement	\$125	
	830	Incorrect style, color and size ticket on merch	\$125	
	885	Merchandise partially pre-ticketed	\$250	
	890	Merchandise not pre-ticketed	\$250	\$2,500
Invoice Error Load from EDI Audit Loader	2401	Missing Data		\$250
	2310	Total Out of Balance		\$250
	2307	Duplicate		\$250
	2403	Incorrect Data		\$250
Packing Issues	600	Styles, colors & sizes mixed in a carton	\$125	\$2,500
	625	Cartons are not reshippable	\$25	\$500
	680	Ordered as pre-pack, shipped as bulk or loose carton	\$125	\$2,500
	705	Ordered as bulk, shipped pre-pack	\$125	\$2,500
	1415	Concealed shortage	\$125	
	1425	Concealed style, color, or size substitution found	\$125	
	1850	Cartons strapped or banded	\$125	
PO Exceptions	650	Style substitution	\$250	\$2,500
	655	Size substitution	\$250	\$2,500
	660	Color substitution	\$250	\$2,500
PO Fill Rate Issues	<i>Burlington Stores allows a 10% fill rate variance per style. It is the vendor's responsibility to notify the appropriate contact within the Purchase Order Entry team prior to shipment if the PO will be outside of this variance in order to avoid a chargeback. If the fill rate per style is within 10%, you do not need to notify the Purchase Order Entry team.</i>			
	665	Style over shipped	\$200	\$1,000
	670	Style under shipped	\$200	\$750
	1898	Style not shipped	\$0	\$200
Receiving Issues	1150	No ASN at time of receipt	\$125	\$1,500
	1810	ASN not received on time	\$250	
	1888	Small Parcel shipped more than 10 cartons to DC	\$25 per carton over 10 cartons	
Freight Violations	215	Freight sent collect- should be prepaid	\$25 + cost of freight	
	2185	Wrong Carrier Used- Did not use assigned carrier	\$25 + cost of freight	
	2256	Detention charges	\$25 + detention charges billed to Burlington	
	1294	Merchandise arrived not on appointment	\$150	
	240	Multiple shipments per PO/line	\$250	
	320	Shipped to wrong location	\$125	
Allowances	2164	Freight Allowance		
	2184	Defective Allowance	Allowance taken as negotiated.	
ASN Errors from Audit Loader	2300	ASN arrived with Duplicate UCC128 Labels within the ASN	\$100	
	2296	ASN arrived with Invalid UCC128 Labels	\$100	
	2269	Duplicate ASN flagged as Original, Previous ASN is Edi Accepted or Accepted w/error, bcf Suspended	\$50	
	2274	Duplicate ASN flagged as Original, Previous ASN is Edi Rejected, bcf Rejected	\$50	
	2301	ASN arrived with Duplicate UCC128 Labels within all ASNs received in Past 365 Days	\$100	
	2268	Duplicate ASN flagged as Original, Previous ASN is Edi Accepted or Accepted w/error, bcf Accepted	\$50	

Disputing Vendor Compliance Charges (VC)

All vendors must submit VC and FRT disputes through the Trading Partner portal. This will eliminate duplicate requests, and allow the Vendor Relations team to handle disputes in the most efficient manner.

If you feel you have received an invalid vendor compliance chargeback, you may dispute the chargeback through our Trading Partner Portal within six months of the date your charge was transmitted to you. Please be sure to include all relevant backup documentation.

Trading Partner Web Portal <https://burl.compliancenetWORKS.com/login.aspx>

The Trading Partner Web Portal provides vendors access to:

- View vendor compliance (VC, FRT) chargeback details
- Photos and other supporting chargeback data
- Download individual compliance chargeback details
- Submit disputes
- Dispute status
- Check Remittances

This website requires a login for access. If you wish to access the site and do not have a user name and password, email Vendor.Relations@BurlingtonStores.com with the following information:

- Name of person wishing to have access to the site
- Job title
- Address, city, state, zip code
- Phone number
- Email address
- Vendor name(s) and Burlington Stores vendor number(s) that you will need visibility to
- Purchase Order Number

All correspondence regarding vendor compliance charges must be submitted through the Trading Partner Portal. If you have any compliance questions or need general information please contact:

Email: Vendor.Relations@BurlingtonStores.com

Phone: 609-387-7800 x73318

Freight Summary Claims (FS)

FS Claims are only issued for inbound merchandise coming directly from a vendor, either being sent to the stores or to the distribution center.

1. Code 15- Purchase Order Terms

The PO being charged with a code 15 FS claim can either have freight terms of "Vendor Pays 50%" or "Vendor Pays 100%."

If the freight terms for the PO referenced in the FS claim are "Vendor Pays 50%," the freight bill costs are split between Burlington Stores and the vendor equally; therefore the vendor is only being charged for half of the freight cost, not the entire amount.

If the freight terms for the PO referenced in the FS claim are “Vendor Pays 100%,” the vendor is being charged because Burlington Stores was billed and paid for the freight costs. If the PO terms show that the vendor was responsible for paying all or part of the freight, a chargeback debit will be created to recoup the freight costs.

2. Code 16- Air/Ground Express

Code 16 FS claims occur when the freight is expedited via Air or Ground Express on Burlington Stores’ account.

If this occurs, the vendor will be charged 100% of the freight costs plus a \$5.00 per carton penalty/handling fee.

3. Code 17- AK, PR, New Store & FedEx

Code 17 FS claims are associated with direct to store shipments going to Alaska, Puerto Rico, or new stores.

Cartons going direct to Alaska or Puerto Rico stores are to be shipped to a specific consolidator as outlined in Chapter 3 of the Vendor Manual.

Cartons going direct to new stores should be shipped to a specific consolidator until the location has opened. New store drop ship instructions as well as corresponding new stores numbers are posted on the Introduction page of our vendor website located at www.burlingtoncoatfactory.com/vendors.

Not following these guidelines could result in being charged 100% of the freight as well as a \$25.00 per carton penalty/handling fee for the cartons going to these locations.

4. Code 18- UPS Used, Must Use FedEx

Code 18 FS claims are for vendors using UPS instead of FedEx as a parcel carrier when shipping direct to stores.

Per chapter 3 of the Vendor Manual, freight collect vendors must use FedEx when shipping cartons direct to stores.

Not following these guidelines could result in being charged 100% of the freight as well as an additional \$5.00 per carton penalty/handling fee for using the wrong parcel carrier.

Disputing Freight Summary Claims (FS)

If you would like a copy of your FS Detail or feel you have received an invalid FS claim, please reach out to Vendor.Relations@BurlingtonStores.com.

Note: All reversals/adjustments are approved by the Director of Vendor Relations, with no exceptions. Buyers may not authorize chargeback reversals/adjustments.

Allowances/Discounts

Many vendors have various allowances with Burlington Stores that were negotiated by our merchant and your sales person. These negotiations will appear on your vendor agreement and/or purchase order.

Defective/Freight Allowances

Audits are performed on all POs to determine if a defective or freight allowance should have been taken based on the terms negotiated on your Vendor Agreement. If it is determined that an allowance should have been applied, the allowance will be generated at the PO level to capture the agreed upon percentage. This will appear on your check in the form of a Vendor Compliance (VC) charge.

New Store Discount (NSD)

The New Store Discount applies to merchandise that is received for a new store opening (6 months prior to and 6 months after the opening date). This will appear on your check in the form of a New Store Discount (NSD) deduction. Please refer to your Vendor Agreement for the New Store Discount percentage that has been negotiated. If you have questions once this deduction has been taken, please reach out to Vendor.Relations@BurlingtonStores.com.

Inventory Control

For backup information for these types of deductions, please reach out to Vendor.Relations@BurlingtonStores.com.

Received Short

When a concealed shortage is discovered at the store level, a debit request is submitted with a “received short” reason code. Concealed shortages at the store level are identified when a shipment is spot checked in the warehouse and appears to have all units in the cartons; therefore not all cartons are opened in the warehouse. Final unit counts occur when the shipment is received at the store. At this point, any items short in the carton will result in a “received short” claim.

Recalls and Unsafe Products Policy

When a product is deemed defective, substandard, unsafe, hazardous, not in compliance with Burlington Stores’ policies or standards or not in compliance with applicable laws and regulations, all units may be recalled from Burlington’s stores at the discretion of Burlington Stores. Vendors will be charged back for the cost of the merchandise, and shall be responsible for all freight and handling charges. In addition to all other rights and remedies Burlington Stores may have under applicable law, including the right to recover for lost sales; Burlington Stores may also charge the vendor up to 20% of the retail cost of all such goods to offset the expenses that may arise from executing any recalls of the merchandise. Burlington Stores will process most such recalls under its “debit and destroy” policy (i.e. the merchandise will not be returned to the vendor). Any incremental costs incurred as a result of management, administration, or disposal of defective, substandard, unsafe, hazardous or recalled product will be charged back to the vendor.

Return to Vendor/ Buyer Request (RTV)

The following may be refused at time of delivery at the sole discretion of Burlington Stores and at the complete expense of the vendor.

- Early shipments
- Shipments past their cancellation dates
- Unauthorized shipments
- Over-shipments
- Substitutions
- Invalid orders
- Cancelled orders
- Shipping with late or inaccurate ASNs
- Merchandise that does not meet purchase order specifications of style, color size, quantity and/or quality

NOTE: Burlington Stores will not request nor require return authorization for such refusal.

Material Safety Data Sheet (MSDS)

A completed MSDS sheet must be sent to the Vendor Setup department (Vendor.Setup@BurlingtonStores.com) prior to shipping “hazardous materials.” A hazardous material is defined as a substance or material that has been determined by the Department of Transportation to be capable of posing an unreasonable risk to health, safety and property when in transportation. Materials that are hazardous to the environment (i.e., hazardous substance, hazardous wastes, and marine pollutants) are also regulated. Hazardous materials include but are not limited to many cosmetics, home diffusers, aerosols, or anything containing a lithium battery. If you have lithium button cells or batteries in your product, please provide as much of the following information as possible in your MSDS:

- Product data sheet on the battery
- Manufacturer type and model#
- Warranty information
- Types of acceptable battery replacements

It is the responsibility of the vendor who sells the product and makes the shipment of a material to determine (or seek assistance to determine) if the material meets the definition of a hazardous material. Each vendor, prior to shipping product to any of the Burlington Stores’ distribution centers or stores, is required to know if the product meets this definition. Burlington Stores requires an MSDS sheet that includes the completed transportation section for any product that meets this definition and is therefore regulated as a hazardous material by the Department of Transportation be sent to us prior to the receipt of your product.

Vendor Minimum Insurance Requirements

In order to fulfill all express and implied warranty and indemnification obligations under the Terms and Conditions of the Burlington Stores Purchase Order, please note the following Burlington Stores vendor minimum insurance requirements. Vendor at its sole cost and expense agrees to maintain, in full force and effect at all times, at least the following type and amount of insurance for claims which may arise out of, or in connection with, the Purchase Order and/or merchandise furnished thereunder: Commercial General Liability Insurance, including

Contractual and Products Liability, on an occurrence basis, with limits of at least \$1,000,000 per occurrence with \$4,000,000 umbrella. Such policy shall name Burlington Stores (together with its affiliates and subsidiaries) as an additional insured. Vendor will provide Burlington Stores with a certificate evidencing the required insurance and additional insured vendor endorsement. By requiring insurance herein, Burlington Stores does not represent that coverage and limits will be adequate to protect Vendor. Additionally, such coverage and limits shall not be deemed as a limitation on Vendor's liability under the Purchase Order. Please provide your insurance agent or broker with a copy of this letter and ask them to send the original Certificate of Liability Insurance to the Vendor Setup department via regular mail to:

*Burlington Stores
Attn: Vendor Setup
3rd floor- Room 309
4287 Route 130 South
Edgewater Park, NJ 08010*

Accounts Payable

Invoicing

It is imperative that these rules are being followed to ensure your invoices are paid in a timely manner:

- All invoices are required to be sent via EDI or Gateway.
- Burlington Stores will not pay any freight cost that is added to a merchandise invoice.
- Vendors must only send one invoice per shipment.
 - “Ship-to-Mark-for” shipments (S2M4) typically ship to one of Burlington Stores’ distribution centers and are packed by store. Even though they are packed by store, they constitute one shipment for the vendor. Therefore, vendors must only send one invoice per shipment.
- For drop-ship/direct-to-store purchase orders, there should be one invoice per store location.
- Invoices are expected to match shipments.
- Invoices should be sent after the purchase order has been shipped, not before.
- Invoice line item details are required for each invoice. Summary invoices will not be allowed.
- All vendors who use multiple pay sites will be required to include a DUNS number to ensure appropriate pay site.
- Purchase orders will include trade discounts or warehouse discounts if applicable. Vendor invoices should also include these discounts to match the purchase order.

Duplicate Invoices

Invoices sent with the same invoice number will reject out of our Accounts Payable system as a duplicate invoice. If an invoice needs to be sent for additional monies owed, a new invoice number must be sent. If a correction needs to be made on a submitted invoice, please reach out to EDI.Support@BurlingtonStores.com for instructions on the resubmit process. Invoice numbers should not be “recycled” within 365 days; doing so will necessitate a manual correction and subsequent expense offset fee, and the potential for a delay in payment.

Payment Terms

- Terms of payment begin when the purchase order is completely received into our system.
- However, the due date could be extended without a loss of discount until all units are received.
- Invoices or receipts of goods dated later than the 20th of the month with end of month (EOM) terms will be paid as though dated the first of the following month.
EXAMPLE: goods received on 8/21/16 with 10 EOM dating would be payable 10/10/16; 10 EOM + 60 would be due 12/10/16, etc.

Date Received		10 EOM Payments			Net Payment Examples		
From	To	10 EOM	10 EOM + 30	10 EOM + 60	Date Received	NET 30	NET 60
21-Dec	20-Jan	10-Feb	10-Mar	10-Apr	20-Jan	19-Feb	21-Mar
21-Jan	20-Feb	10-Mar	10-Apr	10-May	20-Feb	22-Mar	21-Apr
21-Feb	20-Mar	10-Apr	10-May	10-Jun	20-Mar	19-Apr	19-May
21-Mar	20-Apr	10-May	10-Jun	10-Jul	20-Apr	20-May	19-Jun
21-Apr	20-May	10-Jun	10-Jul	10-Aug	20-May	19-Jun	19-Jul
21-May	20-Jun	10-Jul	10-Aug	10-Sep	20-Jun	20-Jul	19-Aug
21-Jun	20-Jul	10-Aug	10-Sep	10-Oct	20-Jul	19-Aug	18-Sep
21-Jul	20-Aug	10-Sep	10-Oct	10-Nov	20-Aug	19-Sep	19-Oct
21-Aug	20-Sep	10-Oct	10-Nov	10-Dec	20-Sep	20-Oct	19-Nov
21-Sep	20-Oct	10-Nov	10-Dec	10-Jan	20-Oct	19-Nov	19-Dec
21-Oct	20-Nov	10-Dec	10-Jan	10-Feb	20-Nov	20-Dec	19-Jan
21-Nov	20-Dec	10-Jan	10-Feb	10-Mar	20-Dec	19-Jan	18-Feb

Note: Payment terms begin from the date merchandise is received into Burlington’s distribution center system (NOT the yard).

Shortages (S)

If Burlington determines that there is a merchandise invoice shortage, the invoice will be issued with an S claim debit. Details for these shortage debits will be on the check remittance.

All shortage disputes should be sent to Vendor.Relations@BurlingtonStores.com within 6 months of receipt. Include any backup documentation and a filled out copy of the [Burlington Debit Claims Spreadsheet](#). Please compile all undisputed S Claims onto one spreadsheet.

PRGX Claims (RGM, PX, FTSP)

PRGX conducts post audits relating to freight or merchandise payables. If the post audit determines that a claim is to be issued, it will appear on your check with a PX, FTSP or RGM prefix.

- PX- Freight Post Audit
- RGM/FTSP- Merchandise Payables Post Audit

If you would like a copy of a RGM, FTSP or PX claim, or feel you have received one of these claims in error please reach out to Vendor.Relations@BurlingtonStores.com.