

Defective Items Tracking

Overview

This document describes a method of tracking defective/damaged items using Point of Sale. Salespersons handle the return of a defective item from a customer in the same manner as a regular return, however, the item is placed in a defective/damaged items area instead of back into stock. The person handling defective items sells the item on an open sales order for customer RGA. This reserves the item making it unavailable for sale.

When an RGA number is obtained from the vendor, the appropriate action is taken on the RGA ticket. This may involve shipping the item back to the vendor or "field destroy."

Setup Customer ID RGA

A customer master record is needed for entry of defective items on sales orders. Typically the ID is **RGA** (Returned Goods Authorization) or **DEF** (Defective). The Name may be entered as RGA VENDOR or simply <VENDOR>. The field price level is set at E cost, the taxability is coded as E for Exempt and "**RGA#**" is entered into the Contact field. A terms code may be established on the first screen in Main Options so that the terms display as **RETURNED GOODS**. A sample customer master screen is shown below. In this example, Terms Code G in Main Options is coded "RETURNED GOODS."

| | | | | |
|--|------------------------------|---------------------------------|------------------------|------------------------|
| 03/29/2006 | ACCOUNTS RECEIVABLE CUSTOMER | | | CUST ID |
| ID:RGA | Name:<VENDOR> | Bill Address:**RETURNED GOODS** | | |
| Address: | | **AUTHORIZATION TICKET** | | |
| | | City/State: | | |
| City/State: | | Zip Code: | | |
| Zipcode: | | Contact:RGA# | | |
| Phone:() | | Date Opened: 03/29/2006 | | |
| Credit Limit: 0 | Avail Credit: 0 | Current POS: 0 | | |
| Price Level: E Pr Sheet | Adjust: 0.000% | Last Sales: 0.00 | | |
| Tax -- Flag: E Code: TAX | Percent: 7.000% | Last Pymt: 0.00 | | |
| | Special Price: B | Credit Hold: N | | |
| Print Group: | Statement Group: A | Free: | High Balance: 0.00 | |
| Terms: G RETURNED GOODS | Prompt: | Previous Balance: 0.00 | | |
| Salesman: PO#: N | Dflt PO: | Service Charges : 0.00 | | |
| Ship Inst: B | BEST WAY | Archive: Y | OVER 90 BALANCE : 0.00 | |
| | Sales | Profit | GP% | 61-90 BALANCE : 0.00 |
| Period: 0.00 | 0.00 | 0.00 | 0.00 | 31-60 BALANCE : 0.00 |
| This Year: 0.00 | 0.00 | 0.00 | 0.00 | CURRENT BALANCE : 0.00 |
| Last Year: 0.00 | 0.00 | 0.00 | 0.00 | ===== |
| | | | Account Balance: 0.00 | |
| F2=CHANGE ID F3=LOOKUP F7=CHG NEXT ITEM TAB=BALANCE LOAD | | | | |

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Entry of RGA Defective Item Sales Orders

A separate sales order is opened using customer ID **RGA** for each vendor with defective items. On the order heading screen, press **<F2>=To Name**. In name field, enter the Vendor's Name in upper case letters (such as **CRAFTMADE**). This will allow you to later search for each individual vendor's defective orders by entering the Vendor Name or Vendor Code in the Name field and pressing **<F7>** or **<F8>**. See the sample order heading screen shown below. Note: The vendor's address for shipping back defective items may be entered in the ship to address on the order heading.

```

03/29/2006                POINT OF SALE                CUST ID

Order: 0          Cust: RGA          Column: E +/-  0.000% Spec: B Prompt:
Name:  CRAFTMADE          Tax:  E TAX  7.0000% Age:  1
Address:          Terms:  G RETURNED GOODS                Slp: WH
                                                PSlp: WH
City/St:          Status:          Lines:  0
Zip:              ( )
Contact:          Stage Loc:          Deliver:
Credit:          0 Allow:  0.00      P.O.#: N          Ship: BEST WAY  Type: L

          Bill To
Name:  <VENDOR>
Address: **RETURNED GOODS**
          **AUTHORIZATION TICKET**
City/St:
Zipcode:
    
```

Sell the item on the line items screen as you would a normal sale. Determine how you wish to record a description of the defect. A brief description of the defect may be entered in the **Room Location**. A detailed description of the defect may be entered as an item **"Sales Note."** Be sure to enter **PI** in the PRTF (print flag) column to ensure that the sales note will print on the **Defective Goods** ticket.

Selling the item reserves it in inventory. This reduces the Quantity Available to sell. See the sample line item below.

```

___ Qty: 1          Item: 11018PB3          VC: CRA Tax: E Prc:_  9.600
Stk:  S/O          Room:**DENT IN FIXTURE          Loc:          Flg: _ Cost:  9.600
Info: _____          Net:  Disc:  0.000
Desc: 3 lgt racetrack - PB-          LBR :  0.00
F2=TO QTY F3=INQUIRY F4=ALT/SUPER F7=UPC TOGGLE F8=AUTO TOGGLE TAB=TOTAL
    
```

The item displays in the body of the ticket as follows:

| Ln# | Item Number | VC | Ordrd | Dlvrd | Bkord | TFL | Sell Price | Total |
|-----|-------------------|-----|-------|-------|-------|-----|------------|-------|
| 2 | **DENT IN FIXTURE | | | | | | | |
| 1 | 11018PB3 | CRA | 1 | | | E | 9.600 | 9.60 |

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Print RGA Order (optional)

A pick ticket style **RGA ORDER** or **DEFECTIVE GOODS** form may be printed and filed with other Defective orders **pending an RGA number** (Returned Goods Authorization number). If you need assistance with creating an RGA Order/DEFECTIVE GOODS form, please contact Mylee Customer Support.

Obtain RGA# and Partial Ship the Defective Item

When an RGA# has been assigned to the item (or items) to be shipped back to the vendor, go to the order Header screen and enter the customer ID **RGA**. In the name field, enter the vendor's name (such as **CRAFTMADE**) and press **<F8>**. The F8 key will find the last order (open, hold or closed) for the vendor you entered.

Press the ENTER key until cursor rests in the **CONTACT** field. **Enter the RGA#**.
(Example: Contact: RGA# 12345678)

Enter the date the items are shipped back to the vendor in the **Deliver date field**.

On the line items screen, press **<F12>** and **A** to partial ship the defective items using F7=Confirm Shipment & Print.

```

03/29/2006          POINT OF SALE--PARTIAL SHIPMENT
Order: 22679        Cust: RGA          Name: CRAFTMADE
Ship: BEST WAY     Slp: WH Lines: 2  Status: O 03/29/2006      Type: L

  Ship  Dlvrd  Ordrd  Bkord VC  Item Number          Description
          1          1          CRA 11018PB3        3 lgt racetrack - PB-
          **DENT IN FIXTURE

F2=SHIP REMAINING  F7 =CONFIRM SHIPMENT & PRINT  F4=PICK TICKET
F6=REVERSE LAST SHIP  TAB=CONFIRM SHIPMENT & BILL FOR

Do you want to CONFIRM shipment on this order (Y or N) Y
    
```

Print the RGA Order / Defective Goods Ticket

Select the appropriate printer number and custom form to print the RGA Order / Defective Goods ticket. (Contact Mylee Customer Support for assistance in setting up an RGA/Defective Goods form.)

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Respond “N” to the question “ALL ITEMS HAVE BEEN DELIVERED. DO YOU WANT TO CLOSE ORIGINAL ORDER?” The order should NOT be closed. (If you accidentally respond Y to this question, the program will take you to the Closing screen of the original order. Simply F12 to exit, leaving the order in an open status.)

One copy of the “RGA Order/ Defective Goods ticket” should go with the items being shipped back to the vendor and another copy placed in the “Defective Goods” or “RGA” pending resolution file.

Using partial shipments will reduce the Qty-on-Hand in the inventory.

Maintaining and Closing the RGA /Defective Goods Ticket

Once an RGA# has been provided by the vendor, do NOT add additional items to the order. The only line items on the order should be those associated with the RGA# entered in the contact field. Open up a new sales order for additional defective items.

The original RGA order will be used to enter a resolution and then the RGA order will be closed.

Vendor to Ship Replacement Item

If the vendor will be shipping a replacement item separately (not combined with other items on a purchase order), maintain the RGA Order as follows.

When the item is received, the Quantity on Hand needs to be increased in the Inventory. This will be done automatically by entering a **negative qty** on the RGA Order. Read up the original RGA Order and go to the line items screen. Enter a **negative** quantity, the Item number and the **SAME ROOM LOCATION**. Sell the item at the same price & cost as you did originally.

| | | | | | |
|--|------------------------|---------|--------|--------|-------|
| ___ Qty: -1 | Item: 11018PB3 | VC: CRA | Tax: E | Prc: _ | 9.600 |
| Stk: S/O | Room:**DENT IN FIXTURE | Loc: | Flg: _ | Cost: | 9.600 |
| Info: _____ | | | Net: | Disc: | 0.000 |
| Desc: 3 lgt racetrack - PB- | | | LBR : | | 0.00 |
| F2=TO QTY F3=INQUIRY F4=ALT/SUPER F7=UPC TOGGLE F8=AUTO TOGGLE TAB=TOTAL | | | | | |

Using the same room location will group the same line items together if there is more than one defective item on the order.

| Ln# | Item Number | VC | Ordrd | Dlvrd | Bkord | TFL | Sell Price | Total |
|-----|-------------------|-----|-------|-------|-------|-----|------------|-------|
| 2 | **DENT IN FIXTURE | | | | | | | |
| 1 | 11018PB3 | CRA | 1 | 1 | | E | 9.600 | 9.60 |
| 3 | 11018PB3 | CRA | -1 | | | E | 9.600 | -9.60 |

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Use **Sales Notes** to indicate that a replacement item has been received by the vendor and the **date the item was received**.

To enter a sales note, call down the line item and press **F12** and **S** for Sales notes. Enter PI in the PRTF column. Enter the note in the Information column. Press F3=Save-Sell when finished.

```

POS SALES NOTES      CRA 11018PB3
                    3 lgt racetrack - PB-
SEQ  PRTF  PO Information
20  PI      Replacement item received from vendor
30  PI      on 03/29/2006.
40  PI
50  _____
60  _____
70  _____
80  _____
90  _____
100 _____
110 _____

F2=UP  F3=SAVE-SELL  F7=NEXT  F8=PREV  TAB=900 NOTES
    
```

Next, partial ship the item (F12 and A) to put it back into inventory. Use the F7=Confirm Shipment & Print.

```

03/29/2006          POINT OF SALE--PARTIAL SHIPMENT

Order: 22679        Cust: RGA          Name: CRAFTMADE
Ship: BEST WAY     Slp: WH Lines: 3 Status: O 03/29/2006      Type: L

  Ship  Dlvr  Ord  Bkord VC  Item Number          Description
          1    1          CRA 11018PB3        3 lgt racetrack - PB-
-1      -1          CRA 11018PB3        3 lgt racetrack - PB-

          **DENT IN FIXTURE

F2=SHIP REMAINING  F7 =CONFIRM SHIPMENT & PRINT      F4=PICK TICKET
F6=REVERSE LAST SHIP  TAB=CONFIRM SHIPMENT & BILL FOR

Do you want to CONFIRM shipment on this order (Y or N) Y
    
```

Defective Items Tracking

Do **NOT** print the partial shipment ticket. When prompted to enter the printer #, simply press **F12** to exit the print box.

Respond **Y** to **“ALL ITEMS HAVE BEEN DELIVERED. DO YOU WANT TO CLOSE ORIGINAL ORDER?”**

You should now be on the **CLOSING ORDER** screen of the original order. The price subtotal as well as all other amounts **SHOULD BE ZERO**.

```

03/29/2006                                POINT OF SALE
Order: 22679          Cust: RGA             City/State: City           ST
Name: CRAFTMADE      Zip: 12345           Phone: ( )
Address: 1234 Street Name      Contact: RGA# 12345678
Address:                Terms Code: G RETURNED GOODS
Price Level: E Adjustment: 0.000%      Tax - Flag: E Cd: TAX   Percent: 7.0000%
Spec Price: B                Status: O 03/29/2006    Ln: 3
P.O.#: N                    Avail CR: 0 Ship: BEST WAY   Age: 1 Slm:WH   Type: L
-----ORDER CLOSING-----
Price Subtotal:          0.00                Special:          0.00
Discount:                0.00                Discountable Amt: 0.00
Tax: 7.0000              0.00                Labor:           0.00
Deposits:                0.00      Freight:          0.00      Other Charges:  0.00
Allowance:               0.00      Taxable:          0.00      Nontaxable:     0.00
Total:                   0.00      Tax Disc:         0.00      FET:            0.00
Balance Due:             0.00      Sales:            9.60      Returns:        9.60
Current Payment:         0.00      Cost:
REC Method: 1 Amt:                1 = CASH          2 = CHECK        3 = VISA/MC
Accts. Receivable:                4 = AMEX          5 = GIFT CERT.  6 = REFUND CHK
Change *****
F2=ENTER DISC  F7=RETURN ENTER MORE  F8=ACCUMULATE DISC  TAB=TOTAL
    
```

Press the **TAB** key twice and respond **Y** to **CONTINUE TO CLOSE ORDER Y OR N**.

Press **F4** to Print the ticket. Print two copies of the RGA Order/Defective Goods ticket. Place one copy in the RGA/Defective Goods “Closed” file. The other copy should be given to the person who handles Accounts Payable.

If the Accounts Payable person needs a ticket where the “cost” is printed, print an Invoice.

Vendor to Ship Replacement Item on the Next Purchase Order

If the vendor will be shipping a replacement item on the next purchase order, the procedure changes slightly because the item should not go back into inventory. (Receiving the purchase order will increase the QOH in inventory.)

Maintain the RGA Order as follows:

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When you need to ship the defective item back to the vendor and a replacement item will be shipped on the next purchase order, the procedure changes slightly. You will use partial shipments to ship the item back.

Use partial shipments to ship the item back to the vendor. Print the partial shipment ticket to use as a packing slip for the item. Refer to Page 3 of this document **“Obtain RGA# and Partial Ship the Defective Item.”**

After you have completed the partial shipment .01, go to the line items screen of the original RGA Order. Enter a **negative** quantity, the Item number and the **SAME ROOM LOCATION**. The price & cost should be the same as the line item sent back to vendor. Do NOT press F10 just yet. **While in the price field, press the UP Arrow key several times to move the cursor to the Flg field. Enter the letter I (I as in Igloo). Press F10 to sell the item. The LINE ITEM FLAG must be I.**

The “I” flag tells Tag-n-Trak to NOT increase the QOH. You must enter the I flag **BEFORE YOU PRESS F10**. If you enter the negative qty line item and forget to enter the I flag, simply call the line back down and delete it. Then re-enter it with the I flag.

| | | | | |
|--|------------------------|---------|------------|-------------|
| Qty: -1 | Item: 11018PB3 | VC: CRA | Tax: E | Prc: 9.600 |
| Stk: S/O | Room:**DENT IN FIXTURE | Loc: | Flg: I | Cost: 9.600 |
| Info: | | | Net: Disc: | 0.000 |
| Desc: 3 lgt racetrack - PB- | | | LBR : | 0.00 |
| F2=TO QTY F3=INQUIRY F4=ALT/SUPER F7=UPC TOGGLE F8=AUTO TOGGLE TAB=TOTAL | | | | |

Using the same room location will group the same line items together if there is more than one defective item on the order. See sample screen below. Notice the “I” in the flag column in the body of the order.

| Ln# | Item Number | VC | Ordrd | Dllvrd | Bkord | TFL | Sell Price | Total |
|-----|-------------------|-----|-------|--------|-------|-----|------------|-------|
| 2 | **DENT IN FIXTURE | | | | | | | |
| 1 | 11018PB3 | CRA | 1 | 1 | | E | 9.600 | 9.60 |
| 3 | 11018PB3 | CRA | -1 | | | EI | 9.600 | -9.60 |

Use **Sales Notes** to indicate that a replacement item will be shipped on the next purchase order.

To enter a sales note, call down the line item and press **F12** and **S** for Sales notes. Enter PI in the PRTF column. Enter the note in the Information column. Press F3=Save-Sell when finished. See the sample below.

| | | | |
|-----------------|------|-----------------------|---|
| POS SALES NOTES | | CRA | 11018PB3 |
| | | 3 lgt racetrack - PB- | |
| SEQ | PRTF | PO | Information |
| 20 | PI | | Per John Doe 03/29/06, replacement item |
| 30 | PI | | will be shipped on next purchase order. |
| 40 | PI | | |
| 50 | | | |
| 60 | | | |

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Next, partial ship the item (F12 and A) so that you can close the RGA Order. Use the F7=Confirm Shipment & Print.

```

03/29/2006          POINT OF SALE--PARTIAL SHIPMENT
Order: 22682        Cust: RGA          Name: CRAFTMADE
Ship: BEST WAY     Slp: WH Lines: 3   Status: O 03/29/2006      Type: L

  Ship  Dlvr  Ord  Bkord VC  Item Number          Description
          1    1          CRA 11018PB3        3 lgt racetrack - PB-
-1          -1          CRA 11018PB3        3 lgt racetrack - PB-

**DENT IN FIXTURE

F2=SHIP REMAINING      F7 =CONFIRM SHIPMENT & PRINT      F4=PICK TICKET
F6=REVERSE LAST SHIP  TAB=CONFIRM SHIPMENT & BILL FOR

Do you want to CONFIRM shipment on this order (Y or N) Y
    
```

Do **NOT** print the partial shipment ticket. When prompted to enter the printer #, simply press **F12** to exit the print box.

Respond **Y** to **“ALL ITEMS HAVE BEEN DELIVERED. DO YOU WANT TO CLOSE ORIGINAL ORDER?”**

You should now be on the **CLOSING ORDER** screen of the original order. The price subtotal as well as all other amounts **SHOULD BE ZERO**.

Press the TAB key twice and respond Y to CONTINUE TO CLOSE ORDER Y OR N.

Press F4 to Print the ticket. Print two copies of the RGA Order/Defective Goods ticket. Place one copy in the RGA/Defective Goods “Closed” file. The other copy should be given to the person who handles Accounts Payable or the person who does Purchasing as they may need to enter the item on the next PO with a line note referencing the RGA#.

Continued on next page.

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Vendor Instructs to Field Destroy and will Issue Credit

If the vendor instructs you to “field destroy” the item rather than shipping back and will be issuing a credit memo, the following procedure may be used.

The defective item will have been entered on an RGA Order pending an RGA#. When you receive notification to destroy the item, read up the RGA order.

On the order heading page, in the Contact field, enter the “Authority Code” or person’s name authorizing you to destroy item.

Go to the line items screen. Since you will not be shipping the item back, it is not necessary to use partial shipments.

Enter a line item with a **negative quantity**, using the item#, same **ROOM LOCATION and same price & cost**. Do NOT press F10 just yet. **While in the price field, press the UP Arrow key several times to move the cursor to the Flg field. Enter the letter I (I as in Igloo). Press F10 to sell the item. The LINE ITEM FLAG must be I.**

The “I” flag tells Tag-n-Trak to NOT increase the QOH. You must enter the I flag **BEFORE YOU PRESS F10**. If you enter the negative qty line item and forget to enter the I flag, simply call the line back down and delete it. Then re-enter it with the I flag.

Call the line back down to enter **Sales Notes**. (Press F12 and S.) Use **Sales Notes to indicate the action you were instructed to take by the vendor**.

```

POS SALES NOTES      CRA 11018PB3
                        3 lgt racetrack - PB-
SEQ  PRTF  PO Information
 20  PI    PER JOHN DOE 03/29/06, FIELD DESTROY.
 30  PI    CREDIT TO BE ISSUED.
 40  PI
 50  _____
 60  _____
 70  _____
 80  _____
 90  _____
100  _____
110  _____

F2=UP  F3=SAVE-SELL  F7=NEXT  F8=PREV  TAB=900 NOTES
    
```

Again, there is no need to use partial shipments. Press TAB to go to the **Closing Order** screen. The price total and all amounts should be zero. Press TAB twice and close the order.

Press F4 to Print the ticket. Print two copies of the RGA Order/Defective Goods ticket. Place one copy in the RGA/Defective Goods “Closed” file. The other copy should be given to the person who handles Accounts Payable to be sure **Credit is received from the vendor**.