

Stein Mart Business Recovery Charges

What is a Business Recovery Charge (BRC)?

When a vendor fails to comply with the terms detailed on the purchase order, or with the policies detailed on Stein Mart's vendor website, Stein Mart incurs an unanticipated cost to receive and bring these shipments into compliance. These additional costs increase the cost of goods sold, thereby decreasing the final gross margin achieved. A Business Recovery Charge (BRC) is a deduction taken from a vendor's invoice which allows Stein Mart to recoup the costs associated with a vendor's non-compliance.

How are vendors notified about Stein Mart Business Recover Charges?

Upon the detection of a compliance failure, Business Recovery Charge notifications are automatically sent via email to the vendor contacts registered in Stein Mart's compliance system. To add a new contact, please email contact information (including vendor number, name, title, telephone number, and most importantly email address) to vendorcompliance@steinmart.com. Vendors should ensure their SPAM filter is not blocking the receipt of BRC notifications as junk mail. It is a vendor's responsibility to make sure they have an e-mail address on file and it is current. Failure to receive these e-mails does not invalidate any BRC's.

What should a vendor do if they think they received a BRC in error?

Business Recovery Charges fall into three categories, each being administered by its corresponding department within Stein Mart.

- Routing Violations and Commercial Zone Charges: Please email Transportation@steinmart.com.
- Invoicing Issues (including variances between invoiced vs. receipted, and costing variations): Please email vendorservices@steinmart.com.
- Compliance Violations (including Carton Labels, ASNs, Hangers, Tickets): Please email vendorcompliance@steinmart.com.

All emails should include Vendor Name, Vendor Number, Purchase Order number, BRC number, and documentation supporting vendor's claim. The vendor name and BRC number should be listed in the subject line

Business Recovery Charge Definitions:

Routing Violations: Inquiries should be sent to Transportation@steinmart.com

BRC Description: Routing Violation – UPS (RC04)

Explanation: Product was shipped via UPS when it should have been routed through our supply chain network.

Causes:
*Vendors shipped directly to stores using UPS when a Less than Truck Load shipment (LTL) should have been scheduled with your Stein Mart designated carrier to either a Store Distribution Center (SDC) or Consolidation Center (CC.)
*Vendor shipped to SDC or CC using UPS when a LTL shipment should have been scheduled through the Stein Mart designated carrier to either a Store Distribution Center (SDC) or Consolidation Center (CC.)

Note: There will be two charge numbers issued. One is for the freight portion of the BRC, and another one is issued for the violation of the charge. Please visit vendors.steinmart.com for details. Certain shipments may be too small to justify a LTL pick-up; in these instances, vendors should contact Transportation@steinmart.com for instructions.

BRC Description: Routing Violation – Transportation (RC05)

Explanation: Product was shipped incorrectly.

Causes:
*Shipment was sent directly to the SDC when it should have gone through the regional Consolidation Center (CC.)

*Vendor did not use the correct carrier designated by Stein Mart.

*Cartons were shipped to the wrong location.

Note: There will be two charge numbers issued. One is for the freight portion of the BRC, and another one is issued for the violation of the charge. Any questions concerning routing instructions, carriers, etc. should be addressed to Transportation@steinmart.com.

Description: Commercial Zone Charge

Explanation: Any vendor that ships within a 50 mile radius of our consolidation centers is within the commercial zone. Within the commercial zone, vendors are responsible for the freight charges from the location of the facility into our consolidation center.

Causes: Commercial zone charges are currently processed as BRC's, however they are not the result of non-compliance. Stein Mart's Commercial Zone policy is available on our vendor website – vendors.steinmart.com

Invoicing Issues Violations: Inquiries should be sent to vendorservices@steinmart.com

BRC Description: Actual SKU Qty Less than ASN Qty (RC02)

Explanation: The carton contained fewer of one or more skus versus the contents listed on the ASN.

Causes: Item was not shipped.
Item was shipped in another carton.
Substitution was made in size, color, style, etc. but PO and ASN were not changed to reflect substitutions.

BRC Description: Actual SKU Qty More than ASN Qty (RC02)

Explanation: The carton contains more of one or more skus versus the contents listed on the ASN.

Causes: Extra item(s) were shipped.
Item was shipped in the wrong carton.
Substitution was made in size, color, style, etc. but PO and ASN were not changed to reflect substitutions.
ASN sent reflects master packs; Stein Mart only counts items at the individual SKU level.

Please Note: When a substitution results in a BRC: Actual SKU Qty More than ASN Qty, many times an ASN for Actual SKU Qty Less than ASN Qty will also be generated.

Vendor Compliance Violations: Inquiries should be sent to vendorcompliance@steinmart.com

BRC Description: ASN Missing/ Invalid (RC01)

Explanation: ASN for a carton was not received correctly prior to the carton being received at the Store Distribution Center (SDC.)

Causes: An ASN was not sent.
An ASN was sent, but not received until after carton has been received at SDC.
An ASN was sent, but was rejected due to errors in the ASN which were not corrected.

BRC Description: Late ASN (RC01)

Explanation: ASN was received but not by 11:00 am (EST) the day following freight pick-up.
Please Note: Stein Mart prefers ASN be transmitted the day of freight pick-up; in instances when a pick-up is made after business hours Stein Mart will accept an ASN the next day by 11:00 am (EST) as on time. No further exemptions will be made.

Causes: ASN sent after deadline.
ASN was sent but was rejected due to error in the ASN; error free ASN retransmitted after deadline.
ASN sent on time and is not rejected, but pick up date is reported incorrectly on the ASN.

Please Note: When an ASN is generated, dates are auto-filled to the date the ASN is created. If an ASN is created on a date prior to freight pick-up, the pick-up date in the ASN must be edited.

BRC Description: Carton Label Missing/ Invalid Barcode (RC03)

Explanation: GS1-128 Label was not on the carton or was not readable by our scanners.

Causes: Carton was shipped without a GS1-128 label.
Label was improperly attached to the carton. A barcode will not scan if they are bent or folded.
Label was not able to be scanned because the label was not properly formatted.
Label printer was low on ink
Print heads were not clean causing barcode to not be read by scanners
To ensure proper GS1-128 label format, vendors should refer to [Stein Mart's GS1-128 label guidelines](#) located on our vendor website. Also, vendors need to test GS1-128 labels through [Bar Code Graphics](#).
Please note: When an issue is detected, an e-mail will be sent from Bar Code Graphics giving a detailed reason why the label was defective.

BRC Description:	Late Shipment (RC07)
Explanation:	Product was shipped after the cancel date (aka delivery date).
Causes:	<p>Product shipped after the end of the shipping window.</p> <p>ASN ship date is incorrect.</p> <p><i>Please Note: When an ASN is generated, dates are auto-filled to the date the ASN is created. If an ASN is created on a date prior to freight pick-up, the pick-up date in the ASN must be edited to reflect the correct pick-up date.</i></p> <p>Partial shipment made after cancel date.</p> <p>Cancellation date extended after original cancellation date has passed.</p>
BRC Description:	Invalid Ticket Bar Code (RC09)
Explanation:	Price Ticket was not scan able.
Causes:	<p>POS tickets are not able to be scanned either due to formatting or printing issues.</p> <p><i>Please Note: If vendor does not use Avery Dennison for POS ticketing, tickets must be tested through Bar Code Graphics.</i></p>
BRC Description:	POS Ticket Missing (RC09)
Explanation:	Point Of Sale (Price) Ticket was not on item.
Causes:	<p>Merchandise was not ticketed by vendor.</p> <p>Tickets were seeded by vendor and not put on merchandise</p>
BRC Description:	Ticket Description Does not match Item. (RC09)
Explanation:	Description field on Ticket does not correspond with product shipped.
Causes:	<p>POS ticket placed on the wrong SKU.</p> <p>Tickets incorrectly printed.</p>
BRC Description:	Incorrect Placement of POS Ticket (RC09)
Explanation:	Ticket was placed on merchandise incorrectly.
Causes:	Ticket was not placed on product according to Purchase Order and Ticketing Guidelines post on the Vendor Website.

BRC Description: Comp Price Does Not Match Item Master (RC09)

Explanation: Incorrect Comp price is listed on the ticket.

Causes: The Comp price printed on the POS ticket does not match what is listed on the SKU master.

BRC Description: Retail Price does not Match Item Master (RC09)

Explanation: Incorrect Retail price is listed on the ticket.

Causes: The Retail price printed on the POS ticket does not match what is listed not the SKU master.

BRC Description: Wrong POS Ticket Type. (RC10)

Explanation: Incorrect Ticket Type was used for Price Tickets.

Causes: Ticket Type used does not match what is specified on the Purchase Order Item Master and Stein Mart's [Ticket Type Guide](#) found on our Vendor Website.

BRC Description: Hangers Missing (RC10)

Explanation: Products were not hung nor were hangers placed in the carton.

Causes: Purchase order specifies that merchandise be pre-hung by vendor and it arrives at the SDC or store without hangers.

BRC Description: Broken Hanger (RC10)

Explanation: Product was received on a broken hanger.

Causes: Hangers were broken prior to shipment.
Hangers were broken during shipment.

BRC Description: Wrong Hanger Type (RC10)

Explanation: Hanger was not the approved hanger indicated on the purchase order.

Causes: Improper hanger type used.
Correct hanger type used but the hanger is the wrong color.
Hangers are of correct type but do not have VICS number printed on it.
Please Note: Stein Mart suggests that all vendors use Mainetti hangers. If a hanger supplier other than Mainetti is used, hanger must have the appropriate VICS number printed in the same location as a Mainetti hanger.
Vendor follows the [Stein Mart's Hanger Guideline](#) but hanger type is different than that listed on the Purchase Order.
Please Note: Our QA auditors match hanger type to that which is listed on the PO. If the hanger type listed on the PO does conflicts with the Hanger Guideline, the vendor should contact their Stein Mart buyer.

BRC Description: Hanger Not Hung But Seeded (RC11)

Explanation: Product was not hung but hangers were placed in the carton.

Causes: Purchase Order stipulates that merchandise be hung, but vendor does not hang merchandise and places hangers in the carton.

What are the charges associated with Business Recovery Charges?

ASN Missing/ Invalid	\$5.00/ Carton
Late ASN	\$3.00/ Carton
Actual SKU Qty Less than ASN Qty	\$5.00/ Carton
Actual SKU Qty More than ASN Qty	\$5.00/ Carton
Carton Label Missing/ Invalid Barcode	\$5.00/ Carton
Routing Violation – UPS	Full cost of freight plus 10% - minimum charge of \$20.00
Routing Violation – Transp	Full cost of freight plus 10% - minimum charge of \$20.00
Late Shipments	10% of the cost of late merchandise
Invalid Ticket Barcode	\$0.40/ Unit
POS Ticket Missing	\$0.40/ Unit
Ticket Description Does Not Match Item	\$0.40/ Unit
Incorrect Placement of Ticket	\$0.40/ Unit
Comp Price Does Not Match Item Master	\$0.40/ Unit
Retail Price Does Not Match Item Master	\$0.40/ Unit
Wrong POS Ticket Type	\$0.40/ Unit
Hanger Missing	\$0.50/ Unit
Hanger Broken	\$0.50/ Unit
Wrong Hanger Type	\$0.50/ Unit
Hanger Not Hung But Seeded	\$0.30/ Unit
Driver Detention	\$25/15 minutes (beyond the allotted 2 hour load time)