



**ACCOUNTS PAYABLE
CONSIGNMENT RECONCILIATION
PROCEDURES**

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Applying Monthly Payments

In order to reconcile the payment for monthly sales, use two reports provided via macysnet.com. Each of these reports should be pulled for each division on your check (if both Macy's and Bloomingdale's contain check detail, repeat the following reconciliation steps twice).

Helpful tip: Export these documents to MS Excel.

- ✓ Transaction Summary (TS) – Export this report from macysnet.com for the months included in the payment. The activity for the prior month is available on Tuesday following the fiscal month end. **If you are paid each month regularly, only one month of activity is included. If you have gone more than one month without a check, please include the TS report for each period since your last payment.
- ✓ Check Remittance (CR) – Export this from macysnet.com.

Helpful tip: The *Beginning On-Hand* (BOH) and *Ending On-Hand* (EOH) document number is provided on the Transaction Summary and will balance to the document provided on the Check Remittance. **If you have gone more than one month without a check, carry the EOH document number over from your last check to become your new BOH document for the current check.

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2. Please group and total transactions from your Check Remittance in similar form:
 - a. All invoices
 - b. All RTVs
 - c. Beginning On-Hand (BOH)/Ending On-Hand (EOH) Balances
 - d. All other deductions, such as freight allowance, expense offsets, advertising, etc.

Helpful Tip: Description is usually easiest way to group. Use of pivot tables may also be beneficial.

Document	Desc	Amount
999999	DOMESTIC INVOICE	\$1,944.00
999999	DOMESTIC INVOICE	\$1,000.00
	Receipt Totals	\$2,944.00
999999	CREDIT BEGINNING ON-HAND	\$5,888.00
999999	ENDING BALANCE ON-HAND	(\$12,096.01)
999999	DMFREIGHT ALLOWANCE	(\$8.00)
	Other Deductions	(\$85.00)
	Sum	\$2,851.35

3. To reach your payment amount, compare the totals from each report and identify financial differences for each column that you have inserted. These differences play a part in your payment total. Use the guide below to understand if the difference you have identified is an *addition* or *deduction* to your Net Sales payment:
 - a. RTV Totals: If TS has more than the RTV cost on your check, add the difference to the Net Sales total. This could represent units that have been marked out of stock (MOS), generating an increase in payment to you. If TS is less, subtract the difference from the Net Sales total. If activity is also present in the Adjustments column, the RTV column could reflect units leaving the store en route to the return center. The units will be captured again in the RTV column as they leave the return center en route to you.
 - b. Transfer Totals (TS only): If a negative number, add the difference to Net Sales. If a positive number, subtract the difference from the Net Sales total. This typically represents units sold/returned in a store but fulfilled through a Customer Fulfillment Center; or sales in one division that are fulfilled through another division.
 - c. Receipt Totals: If TS is more than the invoices on your check, subtract the difference from the Net Sales total. It is imperative to send/transmit invoices to offset the increase in value of your on-hands (which creates a larger Ending On-Hand deduction at the end

of the month). If TS is less than the check detail, add the difference to the Net Sales total.

- d. Adjustment Totals (TS only): If a negative number, add the difference to Net Sales. This typically represents an inventory shortage, generating an increase in payment to you for units unavailable for sale. If a positive number, subtract the difference from the Net Sales total. This typically represents an inventory overage. If activity is also present in the RTV column, the Adjustment column could reflect units arriving at the return center. These units are offset by the RTV column as the goods were transferred from the store.
- e. All other deductions (such as freight allowance, expense offsets, advertising, etc.) or credits from your Check Remittance must be subtracted or added to your Net Sales to equate to the check total.

Desc	Item Cost	Sales	Net Sales	RTV's	RTV Totals	Net Transfers	Transfer totals	Receipts	Receipts Totals	Cust Ret	Adjmt	Adjustment Totals	End OH Bal	Cost
16 GRAZ LEGACY JN	\$81.00	10	\$729.00	1	\$81.00	2	\$162.00	24	\$1,944.00	1	0	\$0.00	21	\$1,701.00
17 EGC .01 DUMMY	\$0.01	0	\$0.00	0	\$0.00	-1	(\$0.01)	0	\$0.00	0	-1	(\$0.01)	1	\$0.01
18 DARE TULIP SKINNY JN	\$90.00	0	(\$90.00)	0	\$0.00	0	\$0.00	14	\$1,260.00	1	0	\$0.00	14	\$1,260.00
29		10	\$639.00	1	\$81.00	1	\$161.99	38	\$1,204.00	2	-1	(\$0.01)	155	\$12,096.01
Amount from Check														
30 Invoice Diff (-)			(\$260.00)											
31 Other deductions			(\$8.00)											
32 RTV Totals (+)			\$81.00											
33 Transfer Totals (+)			(\$161.99)											
34 Adjustment Totals			\$0.01											
35 Chk Amount			\$290.02											

Helpful Tip: Check the style activity across the columns using your Ending On-Hand (EOH) units from the previous month. Verify that the EOH units match the activity that occurred during the month. If there are units missing, add them to your payment. This could represent styles that were moved from consignment to asset, which would generate an increase in payment as the styles transition to owned merchandise.

4. If you are unable to balance payment to your on-hands after these steps have been completed, submit an inquiry via the AP Forms application on macysnet.com and your consignment analyst will respond to your request. Use the Invoice Non-Payment/POD Dispute form to submit your reconciliation questions. Select "Yes" under "Consignment Inquiry" and attach your reconciliation spreadsheet.

Style Moves

A style move occurs when styles are moved from one department/vendor number to another department/vendor number or when styles are converted between consignment (memo) and asset (owned).

There are three common style move scenarios:

1. Asset to Consignment
2. Consignment to Consignment
3. Consignment to Asset

Style Move from Asset to Consignment: Think of this as a “virtual” return. The asset account was originally credited for the product when it was received. Rather than returning the goods (and incurring additional logistics expense), a debit is processed on the asset account for the styles moved and a corresponding credit is applied to the consignment account. The consignment account will now be paid for the product as it is sold under the consignment payment model.

A 2-sided financial transaction is generated. These transactions link the financial value with the units.

1. A debit memo will be generated where the item originally “lived”. This transaction is processed at the style level and represents all on-hand units being moved for that Mark style number.
2. A credit memo will be generated where the item is “going”. This credit will offset the increase in the consignment on-hand inventory.

Asset account:

Transaction Type: 944 - DM-CONSIGN ITEM MOVES
Total Cost: (\$59)

Consignment account:

Transaction Type: 844 - CM-CONSIGN ITEM MOVES
Total Cost: \$59

Style Move from One Consignment DVN to Another: As styles leave a consignment account, a debit must be processed to offset the decrease in on-hands. The consignment account receiving the styles will have a corresponding credit applied so that the trial balance reflects the increase in physical inventory. These are the same financial transactions illustrated above.

Style Move from Consignment to Asset: When the styles are moved out of consignment, the monthly ending on-hand cost value of inventory will be reduced. This will generate a payment for the items no longer counted in consignment inventory. No additional financial transactions are necessary. The styles are now considered asset stock.

RTV Unit Clarification

As both types of unit decreases appear in the RTV column, there are two ways to identify if a unit was Marked Out of Stock (MOS) vs. returned merchandise (RTV). You will not receive the actual unit back for MOS merchandise.

1. Is there an RTV financial document on the trial balance/check remittance? If yes, the goods are being returned and should arrive at your distribution center. If a financial document is not on your trial balance/check remittance corresponding to this Mark Style, the goods were MOS. You will receive financial credit for these units via the monthly variances in Ending On-Hand/Beginning On-Hand.
2. The Transaction Summary may also be used to determine MOS vs. RTV:
 - a. From the Transaction Summary, enter your Account Number, Department and Vendor Number for this level of detail. You can search by specific mark style or view all styles in your department to start this process.

Consignment

Transaction Summary by Department/Vendor

Search Results For

Department: 276

From Fiscal Week: October WK1 10/5/2014-10/11/2014

To Fiscal Week: October WK4 10/26/2014-11/1/2014

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Division	Vendor Name	Account Number	Dept	Vend	Beg OH Bal	Beg Dec Num	Accum Beg Cost	Sales	RTV's	Net Transfers	Receipts	Cust Ret	Adjust	End OH Bal	End Dec Num	Cost
MACYS EAST			276		2,631	1904227		100	5	-1	812	31	0	3,368		
Total					2,631			100	5	-1	812	31	0	3,368		

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- b. Click on the Department link to expand the detail. Identify a Mark style that has an RTV unit in the appropriate time period. Then click on that Mark style number to expand the location detail of that specific Mark style:

Shipping Tool

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Vendor Name: [REDACTED]
 Department: [REDACTED]
 Vendor: 42
 Beg Document#: [REDACTED]
 End Document#: [REDACTED]
 From Fiscal Week: October WK1 10/5/2014-10/11/2014
 To Fiscal Week: October WK4 10/26/2014-11/1/2014
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 New Search

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Division	PID	Mark Style	Class	Desc	Beg OH Bal	Item Cost	Owned Retail	Ticketed Retail	Sales	RTV's	Net Tra
MACY'S EAST	[REDACTED]	[REDACTED]	30	[REDACTED]	191	[REDACTED]	\$980.00	\$1,225.00	11	0	
MACY'S EAST	[REDACTED]	[REDACTED]	30	[REDACTED]	2	[REDACTED]	\$636.00	\$795.00	0	0	
MACY'S EAST	[REDACTED]	[REDACTED]	30	[REDACTED]	1	[REDACTED]	\$636.00	\$795.00	0	0	
MACY'S EAST	[REDACTED]	[REDACTED]	30	[REDACTED]	1	[REDACTED]	\$636.00	\$795.00	1	0	
MACY'S EAST	[REDACTED]	[REDACTED]	30	[REDACTED]	3	[REDACTED]	\$795.00	\$795.00	0	0	
MACY'S EAST	[REDACTED]	[REDACTED]	30	[REDACTED]	248	[REDACTED]	\$740.00	\$925.00	7	1	
MACY'S EAST	[REDACTED]	[REDACTED]	30	[REDACTED]	18	[REDACTED]	\$780.00	\$975.00	1	0	

c. From there, click on the UPC link for further detail:

Shipping Tool

File Edit Tools Help

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PC	Color	Size	Beg OH Bal	Item Cost	Sales	RTV's	Net Transfers	Receipts	Cust Ret	Adjust	End OH Bal	Cost
[REDACTED]	[REDACTED]	0	0	248	\$416.25	7	1	0	1	3	244	\$101,565.00
total			248			7	1	0	1	3	244	\$101,565.00

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d. This will provide location level detail. From here, search for the RTV unit. This will be a blue hyperlink as well:

Shipping Tool

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Location	Beg OH Bal	Item Cost	Owned Retail	Ticketed Retail	Sales	RTV's	Net Transfers	Receipts	Cust Ret	Adjust	End OH Bal	Cost
686	1	\$416.25	\$740.00	\$925.00	0	1	0	0	0	0	0	\$0.00
687	1	\$416.25	\$740.00	\$925.00	0	0	0	0	0	0	1	\$416.25
688	3	\$416.25	\$740.00	\$925.00	0	0	0	0	0	0	3	\$1,248.75
693	3	\$416.25	\$740.00	\$925.00	0	0	0	0	0	0	3	\$1,248.75
694	1	\$416.25	\$740.00	\$925.00	0	0	0	0	0	0	1	\$416.25
704	1	\$416.25	\$740.00	\$925.00	1	0	0	0	0	0	0	\$0.00
764	11	\$416.25	\$740.00	\$925.00	0	0	0	0	0	0	11	\$4,578.75

- e. Click on the link to see the details. If a true RTV, a chargeback number will be provided.
If a MOS, the following message will be displayed:



Understanding Trial Balance Transactions

A Credit Beginning On-Hand (TC 490) and Debit Ending On-Hand (TC 590) generate simultaneously each week in which a consignment account contains inventory. The majority of these weekly transactions net to zero during check run (the second Wednesday of each fiscal month). This is driven by the due date. However, your trial balance will contain all current transactions on your account.

The Date Entered below has been added for illustration purposes. Notice that the documents generate on Monday of each week. The debits are due on the Thursday of the same week. The credits that will offset these debits are due the Thursday prior to check run.

The TC 590 for Document 1571609 was included on the previous check. The TC 490 for Document 5621112 will represent the beginning of next month's activity (the cost value of inventory on-hand).

Division	Document	Date Entered	Description	Due Date	Amount
MACY'S	1571609	01-Feb-16	CREDIT BEGINNING BALANCE ON-HAND	03-Mar-16	203,801.50
MACY'S	2698018	08-Feb-16	DEBIT ENDING BALANCE ON-HAND	11-Feb-16	(198,516.25)
MACY'S	2698018	08-Feb-16	CREDIT BEGINNING BALANCE ON-HAND	03-Mar-16	198,516.25
MACY'S	3737000	15-Feb-16	DEBIT ENDING BALANCE ON-HAND	18-Feb-16	(195,683.50)
MACY'S	3737000	15-Feb-16	CREDIT BEGINNING BALANCE ON-HAND	03-Mar-16	195,683.50
MACY'S	4547245	22-Feb-16	DEBIT ENDING BALANCE ON-HAND	25-Feb-16	(193,507.75)
MACY'S	4547245	22-Feb-16	CREDIT BEGINNING BALANCE ON-HAND	03-Mar-16	193,507.75
MACY'S	5621112	29-Feb-16	DEBIT ENDING BALANCE ON-HAND	03-Mar-16	(190,699.75)
MACY'S	5621112	29-Feb-16	CREDIT BEGINNING BALANCE ON-HAND	07-Apr-16	190,699.75



For transactions that have not cut to a check, you can use your trial balance and determine which transactions would be included (or due) as of the next check run date. Sort the transactions by due date and determine your cut-off date. **When pulling the trial balance, be sure to check both Macy's and Bloomingdale's for transactions.

Trial Balance					
Macys' Inc. (MacysNet)					
Valid as of: 3/1/2016 5:16:36 PM Eastern					
Division	Document	Description	PO Number	Due Date	Amount
MACY'S	23413387	DM FREIGHT ALLOWANCE	3134631	10-Feb-16	(1.00)
MACY'S	23414587	DM FREIGHT ALLOWANCE	3134631	10-Feb-16	(4.00)
MACY'S	2698018	DEBIT ENDING BALANCE ON-HAND	0	11-Feb-16	(198,516.25)
MACY'S	3797699	DM-RETURN TO VENDOR	0	12-Feb-16	(1,122.75)
MACY'S	3737000	DEBIT ENDING BALANCE ON-HAND	0	18-Feb-16	(195,683.50)
MACY'S	3798705	DM-RETURN TO VENDOR	0	20-Feb-16	(36.00)
MACY'S	3798761	DM-RETURN TO VENDOR	0	20-Feb-16	(911.25)
MACY'S	4547245	DEBIT ENDING BALANCE ON-HAND	0	25-Feb-16	(193,507.75)
MACY'S	2698018	CREDIT BEGINNING BALANCE ON-HAND	0	3-Mar-16	198,516.25
MACY'S	8048837448	DOMESTIC INVOICE	3134631	3-Mar-16	995.00
MACY'S	5621112	DEBIT ENDING BALANCE ON-HAND	0	3-Mar-16	(190,699.75)
MACY'S	4547245	CREDIT BEGINNING BALANCE ON-HAND	0	3-Mar-16	193,507.75
MACY'S	1571609	CREDIT BEGINNING BALANCE ON-HAND	0	3-Mar-16	203,801.50
MACY'S	162801612	CREDIT FOR CONSIGNMENT COST CHANGE	0	3-Mar-16	45.00
MACY'S	8048837448	DM-COST DIFFERENCE	3134631	3-Mar-16	(99.50)
MACY'S	3737000	CREDIT BEGINNING BALANCE ON-HAND	0	3-Mar-16	195,683.50
					\$ 11,967.25
To be included the following month:					
MACY'S	5621112	CREDIT BEGINNING BALANCE ON-HAND	0	7-Apr-16	190,699.75

If there are numerous transactions, you may also find a PivotTable useful. Use the following criteria:

1. Report Filter= Due Date
2. Row Labels= Description
3. Values= Amount (Sum)

Filter your data by the dates included in the next check run (or as of a previous check run to determine why payment was not received previously). Under the filter drop down, click in the box next to “Select Multiple Items” to select more than one date at a time.

Due Date (Multiple Items) 	
Row Labels 	Sum of Amount
CREDIT BEGINNING BALANCE ON-HAND	791,509.00
CREDIT FOR CONSIGNMENT COST CHANGE	45.00
DEBIT ENDING BALANCE ON-HAND	(778,407.25)
DM FREIGHT ALLOWANCE	(5.00)
DM-COST DIFFERENCE	(99.50)
DM-RETURN TO VENDOR	(2,070.00)
DOMESTIC INVOICE	995.00
Grand Total	11,967.25

Continue to pull the Transaction Summary for the applicable on-hand activity. If payment has not been received for more than one month, include the activity for all months in which payment was not received.

Note: This check amount is an estimate. Although the Transaction Summary (sales activity) is finalized at the close of the fiscal month, there are approximately two weeks between the end of the previous fiscal month and check run. Additional credits/debits can be applied to the trial balance that may affect payment.