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Evaluated Receipt Settlement

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Please ensure you have the latest version of this document by downloading it from the
Target supplier website <http://supplier.target.com.au>

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What is ERS?

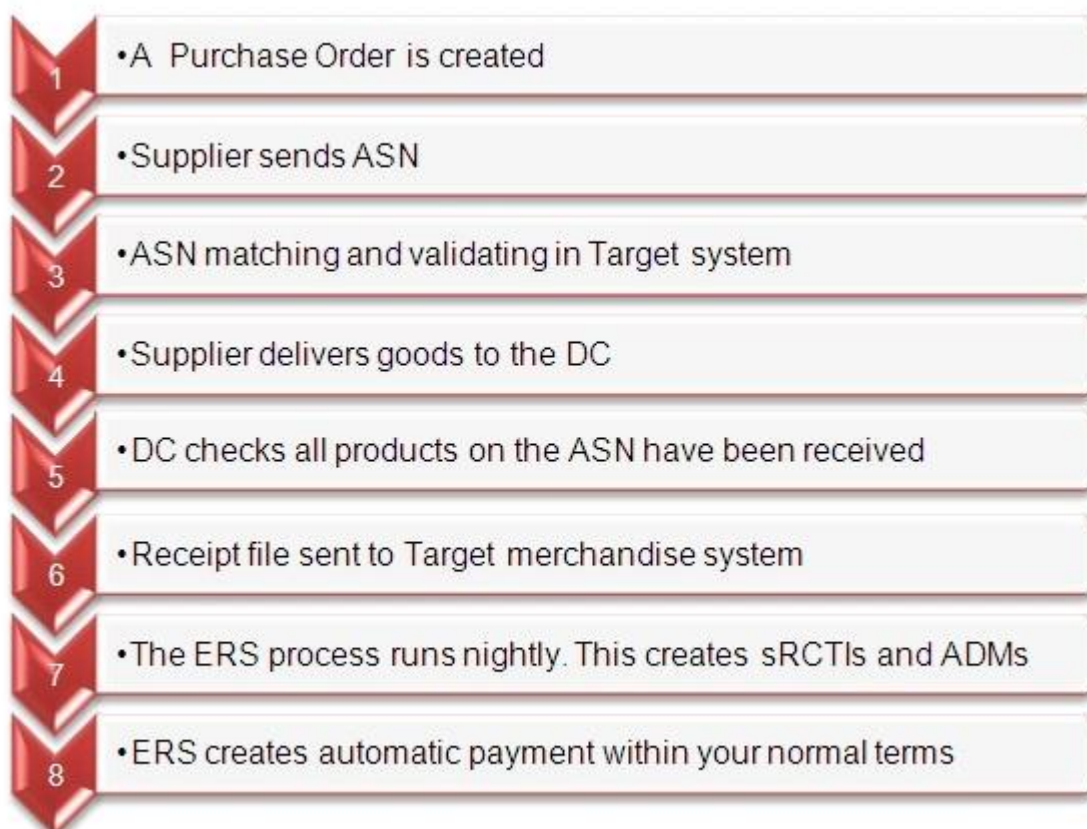
Evaluated Receipt Settlement (ERS) is a process that automatically creates payment to suppliers without the need for any kind of invoice. Simply put, ERS eliminates the supplier's need to prepare an invoice which Target must then process.

When the supplier delivers goods to the Distribution Centre (DC), a receipt is sent to the Target merchandise system, confirming that the goods have been received.

The Target merchandise system generates a Summary Recipient Created Tax Invoice (sRCTI) based on the price in the order and the quantity as measured in the goods receipt.

An ASN Discrepancy Memo is sent to you via email for any product that is on an ASN, but has not been physically received at the DC.

How does ERS work?



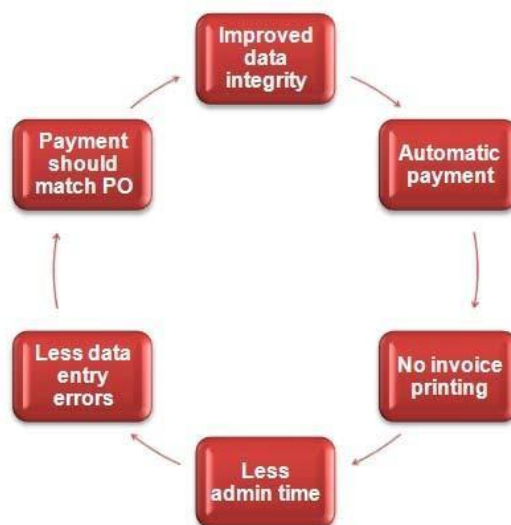
What are the benefits of ERS?

ERS moves accountability for errors and supplier problems from Accounts to the buying office and the receiving Distribution Centre.

If you have payment queries, you no longer have to contact Target Supplier Customer Service, but the relevant buyer for the Purchase Order who can fix any cost issues. If you have quantity or non-receipt questions, you can contact Target eCommerce.

When implemented, ERS will eliminate all traditional Accounts Payable functions except for the actual payment. Other benefits include:

- Reduced administrative need
- Enhanced Internal Control
- Reduced data entry costs
- Fewer data entry errors
- Reduced reconciliation of price and quantity
- Elimination of lost or duplicate invoices
- Improved cash flow
- Elimination of monthly accruals



ERS also delivers benefits in data quality and inventory records. Key benefits for these areas are:

- Improved supplier relations and performance evaluation
- Timely price updating
- Elimination of miscellaneous charges
- Reduction in freight costs
- Establishment of single firm pricing and payment terms
- Improved discrepancy and return processing
- Reduction of inventory adjustments
- Reduced billing for price adjustments

Resolving ERS Discrepancies

When you receive a sRCTI, there might be a discrepancy between the payment you expected and what is on the sRCTI. Work with Target eCommerce to correct these issues as quickly as possible, so that there is minimal disruption to your payment.

If you believe the quantity Target has received is less than what you sent, contact our buying office. With help from the DC where the stock was delivered, they will need to investigate where the physical stock is. Fixing this may result in an additional sRCTI and ADM being created, but it should not result in late payment.

If you believe Target has received more than you sent, please contact Target eCommerce. They will work with Target Supplier Customer Service to get the issue resolved.

ADM example

ASN: 000112233
 Order Number: 1002233
 Receipt 556677
 Receipt Date: 09/02/2010
 Delivery X VIC In2Store GOH
 Location: DC

-----	TARGET SKU	EAN No	SSCC	ASN QTY	RECEIPT	DISCREP QTY	EXT
COST								

--								
46488787	9342024865724	00393283480022662235	1			0	-1	-9.35
Target Key code							1 unit short	
46488794	9342024865731	00393283480022662235	2			0	-2	-18.7
APN / GTIN							\$\$	
adjustment								
46488800	9342024865748	00393283480022662235	2			0	-2	-18.7
SSCC (SCM) number missing from delivery								
46488817	9342024865755	00393283480022662235	2			0	-2	-18.7
2 units were on the ASN								
46488824	9342024865762	00393283480022662235	2			0	-2	-18.7
							0 units were received	

----- Target ADM Total Inclusive of GST						-	-84.15	
GST included Within ADM Total						-	-7.65	

Note: If there are any processing issues with your delivery multiple receipt lines will be displayed on this document. Processing issues resolved over several days will result in an updated ADM being issued.

All correspondence should be addressed to Target.eCommerce@target.com.au

How to prevent discrepancies

Always check the unit price on the Purchase Order is correct before sending in an ASN.

If you believe the unit price on the PO is too low or too high, notify our buying office immediately. They will need to change the unit price on the PO and resend it to you via EDI.

If you notice the unit price discrepancy after delivery of the goods, the buying office will need to go through the process of agreeing to the new unit price and a manual payment for the difference will be created by Target Supplier Customer Services.

Check that the quantity that Target has received matches what was sent. If the quantity received is different, talk to your buying office contact to get the issue investigated and corrected.

In extreme cases, the Target buying office may need to create a PO for receipting and payment purposes only. If this happens, we will work with you to get this paid as quickly as possible.

sRCTI example

summary Recipient Created Tax Invoice

UNB+UNOA:3+9313938000709:ZZ+9312345000001:ZZ+090808:0800+360++++1

Int Header+UN/ECE level A:Version 3+Send GLN:Qual+Receive GLN:Qual+YYMMDD:0800+Int#++++test flag

UNH+506+REMADV:D:01B:UN:EAN005

Message Header+message ID+Message type:Draft:Release 2001B:UN/CEFACT:GS1 version control number

BGM+389:::RCTI+131+9

BeGIn Message+389:::RCTI+131+9

389 = Self-billed invoice 9 = Original

DTM+137:20080809:102

Date TiMe+Document date/time:CCYYMMDD:102

102 = date format CCYYMMDD

NAD+BY+9313938000709::9++27007427581:RCTI

Names Address+BuYer+Sender EDI address::assigned by GS1++buyer ABN:RCTI

NAD+SU+621340::92++73004700485:GST PAYABLE BY SUPPLIER

Names Address+SUPplier+ODBMS vendor#::assigned by buyer++Supplier ABN:GST PAYABLE BY SUPPLIER

DOC+389:::ORIGINAL ASN+4450

DOCument details+389:::ORIGINAL ASN+ASN number or **CODE 6****389 = Self-billed invoice****ORIGINAL ASN****CODE 6 = ASN not used****OVR ADJUST (Over)****UND ADJUST (Shortage)**

MOA+39:3313

MOnetary Amount+39:gross amount

39 = Invoice total amount**369 = Goods and services tax**

MOA+369:301.17

MOnetary Amount+369:GST amount

DTM+50:20080809:102

DTM+50:CCYYMMDD:102

50 = Goods receipt date/time**102 = date format CCYYMMDD**

RFF+ON:847502

ReFerence+Order Number:PO number

RFF+ALO:4450

ReFerence+Receiving advice number:ASN number

RFF+IV:54123

ReFerence+InVoice:Invoice reference number

DOC+389:::UND ADJUST+4451

MOA+39:-4.21

MOA+369:-0.38

DTM+50:20080809:102

RFF+ON:R-05220N

RFF+ALO:4451

RFF+IV:45687

**DOC, MOA DTM and RFF
segments repeated with shortage**

UNS+S

UNSection control+summary section separation

MOA+9:3894.88

MOnetary Amount+Gross amount to be paid including adjustments

39 = Invoice total amount**369 = Goods and services tax MOA+369:354.08**

MOnetary Amount+Total GST amount

UNT+39+506

UNTrailer+total number of segments+Message ID

UNZ+1+360

Interchange Trailer+1 message+Interchange #