



PPA
'AFFIDAVIT CLAIMS' GUIDELINES

BEST PRACTICE GUIDELINES
WHOLESALE STOCK CONTROL & RETURNS SYSTEMS
MAGAZINES, COLLECTIBLES AND PROMOTIONAL VOUCHERS

MAY 2011 EDITION

PPA AFFIDAVIT CLAIMS GUIDELINES



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INTRODUCTION TO THE PPA AFFIDAVIT CLAIMS GUIDELINES

These guidelines have been prepared to assist wholesalers' understanding of the requirements for fully auditable stock control and returns processing systems, capable of generating computerised 'Affidavit' credit claims which may be transmitted to publishers using agreed methods of electronic communication such as EDI.

The 'Affidavit' concept is based upon publishers and distributors accepting wholesalers credit claims for unsold copies as verified statements of the true quantity allowable as a claim at the end of an issue's selling period. Continued operation of the 'Affidavit' system is founded on publishers' confidence in the accuracy of claims substantiated by audit trail evidence. An effective 'Affidavit' system offers considerable benefits for publishers, distributors and wholesalers alike.

Publishers and their distributors need to preserve the integrity of such systems to ensure they are able to discharge their accountabilities to the Audit Bureau of Circulations, of which they are members.

Since these guidelines were last updated in June 2003 there has been significant development of wholesalers systems. Accurate claims data is reliant on robust operational processes ensuring integrity supported with a transparent audit process.

To ensure that these guidelines continue to reflect current operational practice the PPA and ANMW will periodically review them, and, as and when new procedures come into operation, update the guidelines.

Any wholesaler (or group of wholesalers using a common system) wishing to introduce new procedures or significantly amend existing ones is required to submit a written proposal to the PPA for approval.

The PPA Technical Services Panel (TSP), a sub-group of the Newstrade Committee, comprising specialist managers, will firstly validate all proposals. Systems are then subject to the approval of the Newstrade Committee. The TSP will request a trial period for the system under discussion, where considered necessary, allowing the validation process to be completed. Any required changes highlighted from this trial period will be fully discussed with wholesaler representatives.

After approval the PPA Technical Services Panel reserves the right to conduct periodical re-checking. PPA approval does not automatically imply that all publishers will allow a wholesaler to operate amended systems on their titles. Approval must be sought individually from publishers or their distributors as appropriate.

The scope of these guidelines includes procedures for magazines, collectibles and promotional vouchers.

These guidelines take full account of existing industry agreements and magazine publishers agree to operate within their requirements.



**REQUIRED STOCK CONTROL AND RETURNS PROCESSING PROCEDURES FOR
'AFFIDAVIT CLAIMS' APPROVED SYSTEMS**

1.1 Introduction

This section describes the procedures to be followed by wholesalers operating 'affidavit claims' approved systems to generate credit claims for unsold SOR copies.

Publishers reserve the right to accept ONLY affidavit claims from systems they consider meet the criteria below.

1.2 Approval

The objective of these guidelines is to describe the standards of operation that the PPA expects from wholesalers who wish to retain approval for their stock control and returns processing system.

The procedures outlined in this document represent agreed standards to fulfil the requirements for publishers to accept affidavit credit claims.

1.3 Computer System with EDI Capability and other agreed electronic systems

- a) The goods receipt, stock control, recall, returns processing and credit claim procedures must be within a computer system, which can be externally audited.
- b) Access to the system must be to authorised persons only and include:
 - i) A unique operator login identification and password.
 - ii) Regular changing of passwords as permitted by wholesalers' normal operating systems.
 - iii) Users having sole responsibility for the secrecy of their password (which may also be known to the system manager where necessary).
 - iv) Identification of transactions to individual users.
- c) The system must identify each issue individually.
- d) Claims must be attributed to issue level, not magazine level.
- e) Publisher claims period must be associated with each issue.
- f) The system must have the ability to produce recall notes for retail customers, stockrooms and merchandisers where appropriate. It must also produce affidavit unsolds claims to publishers.
- g) The computer system must have the capability to:
 - i) Receive electronic issue files/ product calendars by Electronic Data Interchange (EDI).



- ii) Produce 'affidavit' unsold claims files in agreed format and transmit them to publishers/distributors via the agreed networks and at an agreed frequency.
- h) Audit trail data will be available as defined in section 1.19.

1.4 Receipt of Supplies

Supplies of magazines will be delivered to wholesalers in accordance with existing agreements between publisher/distributors and wholesalers.

All activities concerned with the receipt of supplies must be attributable to members of staff identifiable within the wholesalers systems.

As soon as possible after arrival, the delivery will be checked in accordance with the publisher/distributor's agreed requirements against the details shown on the delivery advice.

Any supply quantity discrepancies identified by this means i.e. under and over supply or damage must be reported to the publisher or their carrier by the agreed method.

If an original delivery shortage is subsequently found within another part of the consignment or elsewhere on the wholesalers' premises the wholesaler will report this as soon as possible to the publisher/ distributor by the agreed proof of delivery method.

Regular quality control checks to support best operational practice will be undertaken by counting the 'odds' bundle and at least one 'stock' bundle for accuracy of packing.

Details of all titles, issues and quantities received on a delivery will be logged into the wholesaler's computer system without undue delay. Wholesalers will log into their computer systems the actual quantities received and not what is detailed on the delivery advice.

Wholesalers' computer systems will provide an auditable record of all shortages and over-supplies reported to publishers/distributors.

1.5 Issue Identification Control

When magazines are delivered the wholesaler will ensure that a check is made for correct title, issue, cover price and on sale date. Bar codes will be checked against publisher/distributor issue file information. Any discrepancy or problem should be notified immediately to the wholesaler's head office or to the normal publisher/distributor contact.

If there is a problem with the printed bar code the publisher/distributor will work with the wholesaler to achieve an acceptable solution, facilitating efficient processing of affected issues at all stages of the supply and returns cycle. Such a solution will be structured to minimise costs to all parties while preserving data integrity.



1.6 Delivery to Retailers

Wholesalers will pack and distribute titles in time to meet publishers scheduled on sale dates as notified on the EDI Issue File. Any significant changes to on sale dates that move the title outside it's usual on sale day are to be advised in advance by the publisher/distributor.

Packing activities to be carried out in accordance with requirements of KPI agreements between publisher/distributors and wholesalers.

'Stock bundles' and 'odds bundles/tote boxes' should be clearly labelled indicating the retailer name, number, round and drop. These may be bar coded for ease of use within 'track & trace' systems monitoring safe delivery to the intended address.

Wholesalers will take all reasonable steps to ensure that delivery of magazine supplies to retailers is conducted securely. Delivery to 'secured areas' and the use of sealed security boxes is recommended.

The use of bar coded tote boxes by retailers to return unsold copies to the wholesaler is also encouraged as a safeguard to ensure secure receipt and identification.

1.7 Retailer Shortages & Oversupplies

Wholesalers will process immediately all retailer reports for shortages, over supplies and damaged copies. Reference numbers should be provided and visibility given as to actions arising.

When a supply shortage has been reported the wholesaler must process this through their computer system. The computer system must be able to replace the copies or if no copies are available credit the retailer without making a claim to the publisher

When a retailer reports an oversupply to the wholesaler, the wholesaler will charge the retailer and request copies that are not required are returned for processing and credit.

Where copies are reported damaged by the retailer the wholesaler will charge the retailer for replacements and request that damaged copies that are not required are returned for processing and credit.

1.8 Retailer Early Returns

Early returns must be handled in accordance with agreements between publishers, wholesalers and retailers.

1.9 Publisher Uplift of Current Stock

When an agreement is made between the publisher/distributor and wholesaler for early returns to be retained for collection, credit will be given for the stock quantity uplifted. The number of copies uplifted will be documented on a wholesaler credit claim document and this quantity will reduce the returns stock level.

Where stock is made available for uplift it must be transferred out of the claim, i.e. into trade counter/stockroom and should therefore not form part of the house overstock claim. Publishers will pass credit for collected copies accordingly.

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Arrangements for copy uplifts by publishers, or carriers on their behalf, will be made in advance. The copies will be recorded in the Stock Control System, immediately on removal from the Stockroom, and will be kept securely and clearly labelled as "overs for collection," prior to uplift.

All copies will be strapped, and no loose copies will be returned. The shift manager and publishers agent will sign the publisher's documentation during handover, to include the title / issue name, quantity, date, and time.

Pallets of copies for uplift must be securely shrink-wrapped and clearly marked with the house of origin using the publisher/distributor's required returns documentation.

1.10 Returns Collection

All activities concerned with the collection of returned unsold copies will be attributable to members of staff identifiable within the wholesalers systems.

Wholesalers will take all reasonable steps to ensure that collection of returned unsolds from retailers is conducted securely. Collection from 'secured areas' and the use of sealed security boxes is recommended.

Wholesalers will regularly provide a Recall Note to retail customers. This will assist customers to identify unsold copies of titles and issues due for return.

The Wholesaler will use the Publisher/Distributor's off sale date as notified in their EDI Issue File to create the Recall Note.

The retailer's recall note must indicate the following:

- a) Unique customer identification.
- b) Description of the issues to be returned, with issue date/number.
- c) Where tote boxes are NOT in use it is expected that the wholesaler will provide retailers with pre-printed labels to identify their bundles. Otherwise wholesalers should encourage retailers to clearly identify their returns bundles.

The retailer should write on the recall note:

- a) The number of bundles returned.
- b) Quantities returned.
- c) Retailer's signature and date of return.

Wholesaler's returns collection drivers should operate an electronic 'track & trace' system or returns collection manifest. As a minimum requirement, such systems should indicate:

- Time of collection
- Number of bundles/totes collected



Wholesaler's returns collection drivers should check that all returns collected clearly identify the customers wholesaler number.

Returns Marshalling at Wholesale House

On arrival the returns should be:

- a) Checked, or verified by the track and trace process ... or ...
- b) Number of boxes/bundles counted and checked against the collection manifest
- c) Further investigation to be undertaken if necessary eg: missing bundles/boxes
- d) Stored in a secure part of warehouse, ideally within the returns scanning area
- e) Future movement of returns should be minimal

1.11 Returns Processing Procedures

Wholesalers will comply with the current ISSA Unsold Management requirements.

All activities concerned with the processing of unsold returned copies will be attributable to members of staff identifiable within the wholesalers systems.

Wholesalers will endeavour to process returns in a cyclical manner and within three days of collection from the retailer.

Legitimate returns queries raised by retailers will be credited on the next available invoice (ISSA)

All retailer returns, showroom stock, merchandiser stock and stock from all other stock control areas will be individually bar code scanned and attributed to the correct issue date.

An auditable report must be produced from the scanning process.

a) Bar-Code Scanning

- i) Returned copy from whatever source will be scanned individually and once only. There must be no opportunity for scanned copies to be confused with those yet to be scanned.
- ii) Returned copy that has a barcode that will not scan will be processed manually via the query handling facility.
- iii) Each bar code scanning operator will 'log on' at the beginning of their scanning period and 'log off' at the end, using their unique user identification and password.
- iv) Control information from the scanning operation will indicate the operator, plus the time and date of scanning. As a minimum requirement it will also show: title/issue scanned, quantity scanned and the retailer.



b) Processing Verification Checks

- (i) An anonymous check must be carried out prior to scanning, and then cross checked after scanning. Minimum checking levels must be in accordance with existing agreements between individual publisher/distributors and wholesalers. Bundles selected must represent a cross section of the retailers serviced. A record must be kept for inspection.... plus ...
- (ii) Where manual input is undertaken, a minimum of 10 per cent of all keyed entries must be checked and signed by a second operator, not involved in their original input.
- (iii) Evidence of these checks must be made available for audit purposes, along with the results of the variance analysis. These should include reasons for the variance and details of action taken. This evidence must be signed as complete by a manager.

c) Query Stations / Post Processing Area

- i) Copies that cannot be bar code scanned must be processed through a Query Handling Facility / Post Processing Area for keyed or special scanned input. Records of all entries must be auditable to provide a full record of activities for each scanning day.

Any 'keyed entry' will be processed manually in line with section 1.10 d) 'Manual Processing' below.

d) Manual Processing

Under exceptional circumstances such as system or scanner failure, it may be necessary to input the whole of a recall note manually. Such input must be authorised in advance by a Wholesale Operations Manager / Regional Manager / Head Office and subsequently checked by a member of the wholesale house management team.

Under these circumstances it is expected that the following procedures will be adopted:

- i) Each copy will be counted and checked against the recall note for issue validity. There will be no opportunity for processed copies to be confused with those still to be counted. Each recall note will be processed once only.
- ii) Any discrepancies will be marked on the recall note at each stage of processing.
- iii) The operator responsible for each stage of processing will sign the recall note. Both authorisation and checking will be verified by the appropriate manager's signature. The word 'manual' will be written next to the checker's signature.
- iv) A verification check will be made of a minimum 10 per cent sample per week of data entries keyed to the computer system. This check will be separately verified and signed by another member of staff.

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- v) Evidence of these checks will be made available for audit purposes, along with the results of the variance analysis. These should include reasons for the variance and details of action taken. A manager will sign this evidence as complete.
- vi) Processed recall notes will be kept securely filed for a minimum of three months from the date of processing.
- vii) Wholesalers' management will ensure that the same customers' returns are **not** manually input regularly.

1.12 Stockroom Procedures

The actions detailed below should be recorded on appropriate documentation or specifically input and recorded on the computer system with audit trail access available to these transactions.

- a) All activities associated with stock movement into and out of the stockroom will be attributable to members of staff identifiable within the wholesalers systems.
- b) After pack 'overstock' copies will be transferred to the stockroom at the earliest opportunity.
- c) After pack 'overstock' copies will be counted in the packing area and will be noted on appropriate documentation, which will accompany copies on their transfer to the stockroom. The signature of the person accountable in the packing area will verify the quantity.
- d) On arrival at the stockroom it is recommended that all copies be re-counted. The total counted for each title should be verified on the transfer document by the signature of the person counting them in the stockroom.

Each total will be compared with the totals counted in the packing area to check that all the stock has been accounted for and where there is a significant difference this will be investigated. All discrepancies will be reported to a nominated manager, who will decide whether the discrepancies are to be investigated further.

- e) If Sales Based Replenishment stock is held physically separate from House Stock, both types should be separately controlled within the wholesalers stock control system.
- f) All sales made through stockroom will be recorded specific by issue. Stock records will be updated immediately, concurrent with the sale being registered. Audit trail evidence will be available for all such sales.

Early returned copies used to supplement showroom stock, will not be included in the credit claim made to publishers/distributors. Such copies will be subject to 'return to stock' procedures and will be recorded in the stock control system with no claims lodged on the system until the notified recall date. Issue specific evidence must be available to verify these transactions. All such transfers of stock will be recorded immediately in the stock control system.

- g) The wholesaler's stock control system will be capable of indicating all current stock available for sale in the stockroom from all storage locations at any time upon enquiry, and should include any changes as a result of inter-branch transfer.

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- h) Copies remaining unsold in the stockroom at the end of publications' on-sale periods will be withdrawn under control of recall documentation. Bar code scanning must process all overstocks. It is expected that the stockroom will be treated as an individual retail 'box' or stock control area within the wholesaler's operational system. In either case an audit trail will exist

A check will be made of actual stock removed against stock balances predicted by the computer system. Variances between actual and predicted stock must be subject to further investigation.
- i) Stockroom unsolds will be recalled and processed immediately each day. On request by an auditor copies shall be stored securely and available for audit on the day of recall. The stockroom recall note will be kept with the copies.
- j) Unless specific agreement has been obtained from publishers/distributors, unsolds will be processed by bar code scanning.
- k) Bulk Scanning is subject to PPA agreement. Wholesalers may be permitted to undertake bulk scanning of house overstocks, including SBR stocks, at either bundle or full pallet level. In either case wholesalers must demonstrate a fully documented procedure that is understood and followed by accountable staff where it is in operation. Records must be kept available for audit for a minimum of 3 months.

1.13 Secure Disposal of Processed Unsolds

- a) All activities concerned with the secure disposal of processed returned copies will be attributable accountable to a named member of staff.
- b) Secure Storage

The following will apply to all returned copies immediately after scanning or manual processing in the returns area:

- i) Copies will be removed after returns processing to containment in a means of secure storage approved by the PPA. Such secure storage will ensure that all copies are isolated from unauthorised access until removal for final destruction by a recycling contractor and method approved by the PPA.
- ii) Copies held in secure storage will be held as loose copies and not as bundles.

In instances where unsolds are processed at other locations away from the main wholesale site, the following will also apply

- i) Either: Copies will be held in secure storage at the returns processing site until collected from there by the recycling contractor under cover of a PPA-agreed recycling procedure.
- ii) Or: Processed unsolds will be moved to the main wholesale branch location under cover of PPA-agreed controlled transfer documentation. Copies to be stored securely at the main wholesale branch until collected from there by the recycling contractor under cover of a PPA-agreed recycling procedure.

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c) Final Disposal

The wholesaler will ensure that the copies held in secure storage are removed from the premises and disposed of by, or on behalf of, a recycling contractor in accordance with the provisions below.

- i) The PPA will approve Recycling contractors, and the methods they employ.
- ii) All magazine recycling skips will be locked **and** security sealed before removal from the premises by a recycling contractor.
- iii) Where magazine recycling storage cages or recycler's trailers are used, all will be subject to strict administrative controls including the following:
 - a) Records will be available for inspection showing the weight of each recycling consignment removed from the premises, at any intermediate transit stages and at the point of final destruction.
 - b) No changes will be made to the method of disposal without agreement of the PPA.
- d) Promotional gifts associated with unsold issues will be subject to the secure storage requirements of section 1.12 b) unless a prior arrangement has been made between the publisher/distributor and the wholesaler. All promotional gifts associated with unsold issues, will be recycled securely.
- e) Each wholesaler must possess a current contract with:
 - i) The agency responsible for final destruction of processed unsolds, **or**
 - ii) The organisation responsible for carriage of processed unsolds to the point of final destruction. The contract will reflect current arrangements in operation.
- f) All wholesalers (or a central office) will be required to provide written evidence of all destruction agreements existing between their recycling contractors and the agency responsible for final destruction. These will reflect current arrangements in operation.
- g) It is also required that wholesalers (or a central office) inspect the methods used by the agency responsible for final destruction of copies to ensure they prohibit the 'leakage' of copies back into the market. A minimum of two checks will be undertaken each calendar year, with a record of the findings and any agreed corrective actions retained for inspection by publishers/distributors.
- h) Any change in the recycling carrier, the method of final disposal, or the agency used will be notified in writing to the PPA prior to the change becoming effective.



1.14 Vouchers

Voucher systems and associated audit trails should follow the structure of the publication unsolds process.

- a) Recall and Return: Voucher recall notes should be issued to retailers each week and envelopes provided to enable secure return to wholesalers.
- b) Processing: Vouchers should be processed for retailer credit after receipt to ensure credit is passed on the next available weekly invoice. Scanning of vouchers is the preferred option but if manual entry systems are used 10% of all input should be verified by a second operator.

Processing of vouchers should follow the disciplines of unsold publication processing as follows:-

- i) Vouchers should be processed once only.
 - ii) Processing actions should be attributable to a specific operator.
 - iii) Vouchers should be removed from the processing area as soon as possible to a secure location-awaiting disposal or return to the publisher's designated address.
 - iv) Secure disposal should be undertaken as agreed between the publisher/distributor and the wholesaler but no less than once per week.
 - v) Returns to publishers designated address should be actioned no less than once per week.
 - vi) If an affidavit arrangement is in place a detailed audit trail must be available.
- iii. Out-sourcing: If voucher processing is out-sourced to an agency it is the wholesalers responsibility to ensure that the processes employed meet the individual publisher requirements.

1.15 Collectibles

It is noted that collectible product is unable to be scanned at present. Therefore, returns will be processed as per the Manual Processing section - Ref: 1.11.d)

Returned product will be stored securely until publishers/distributors agree a mutually acceptable collection date with the wholesalers. Any stock moved back into the stockroom will be processed as per section 1.12 f) in the Stockroom Procedures.

The wholesaler's stock control system will be capable of indicating current stock in both secure returns area and stockroom at any time upon enquiry. Credit claims will be handled in line with individual publisher requirements.



1.16 Validation Principles

Wholesalers will apply the following validation principles to all credit claims made to publishers/distributors.

- a) The credit claim by the wholesaler will not exceed the supply, or SOR allowance, whichever is the smaller.
- b) The credit claim by the wholesaler for each individual retailer or stockroom etc. will not exceed the quantity supplied to that retailer/stockroom etc.
- c) The credit claim by the wholesaler for each individual retailer will not exceed the credit given to that retailer.
- d) Credit will not be given unless there is a valid returns claim from a retailer
- e) Credit will not be claimed from publishers/distributors in respect of retailers' unsold copies, unless the wholesaler has passed back corresponding credit to those retailers. Credit must only be claimed for copies that have been credited to a bona fide retailer within the claims period.
- f) Publisher/distributors and wholesalers acknowledge that early returned stock may be re-sold through the stockroom and that these transactions must be accurately reflected in the final credit claim.

An audit trail will be available for inspection by representatives of publishers/distributors to substantiate all claims and credit transactions. The above validating principles are subject to the provision of unique cover barcodes.

1.17 Sales Based Replenishment

Distribution of copies to retailers operating Sales Based Replenishment (SBR) will be conducted on the basis of electronic point of sale (epos) information generated by the retailers, and in accordance with standing agreements between publisher/distributors and wholesalers. Records of such transactions will be open to inspection by auditors operating on behalf of publisher/distributors.

1.18 Trust Trading

'Trust Trading' and other business simplification processes undertaken between wholesalers and retailers will be conducted in a way to ensure that publishers are not disadvantaged in any way. Records of trust trading operations will be open to inspection by auditors operating on behalf of publisher/distributors.



1.19 Audit Trail

It is required that the following elements comprising the "Affidavit" credit claims audit trail will be made freely available (electronically or on paper) on request.

Paper-based and Computer System audit trail reports and records must be available at each wholesale branch for a minimum of 3 months from the off sale dates of the issues concerned, or as separately specified below.

- (i) Goods received delivery records and packing records.
- (ii) Completed Recall Notes from Stockroom(s).
- (iii) Computer generated customer-by-customer or stock location reports of returns and credit given, by issue, with issue summary.
- (iv) Computer generated credit claim as approved by PPA publisher/distributors. It is required that wholesalers transmit this claim to publisher/distributors in the form of an EDI Claims file.
- (v) Records verifying Trade Counter opening and closing stock.
- (vi) Scanning Records, including scanning stations and query handling facilities.
- (vii) Claims rejection report and high claims exception report.
- (viii) Records of supply and credit invoices to retailers.
- (ix) Stock movement report (to include inter-house transfers and retailer supply adjustments).
- (x) Records of retailers making frequent claims for short deliveries or missing bundles.
- (xi) Proof of verification checks in 1.11 b) above.
- (xii) Standing agreement for the secure disposal of processed returns recycling product, which is validated by audit at least six monthly. Independent evidence of secure ultimate destruction will also be required. **This information may be held at a separate central or off-site location.**
- (xiii) Evidence of each recycling product consignment removed, signed by the recycling contractor. This must also indicate the weight of each recycling product consignment removed.
- (xiv) Recorded evidence of destruction of surplus promotional gifts, including Additional Items.

Sales data to box or stock location level, and the audit trail information described above must be retained for a minimum of three months from the Off Sale date of an issue.

All staff should be fully trained and aware of operational and disciplinary procedures.

It is expected that system user manuals and company procedure guidelines will be available to all staff covering every aspect of the operation.

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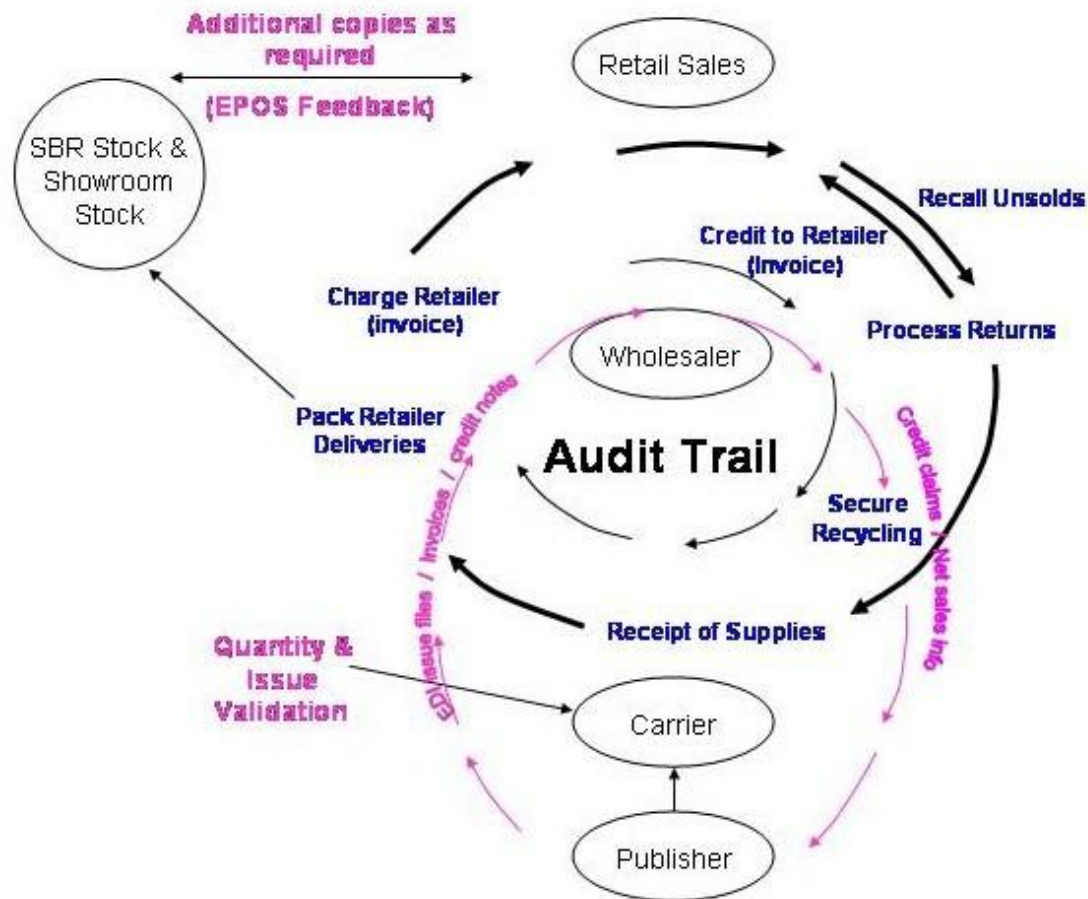
All queries relating to claims will be referred to a wholesaler's nominated point of contact for timely rectification.

Notices outlining the procedures to be followed must be displayed in the goods inwards and returns departments as well as the Showroom/Stockroom.

The ANMW/PPA Product Handling Security notice should be prominently displayed throughout each wholesale depot, emphasising the serious nature of unauthorised removal of publications or promotional gifts.



The Affidavit Process



This diagram summarises the key aspects of the Affidavit process, as they apply to the outward and reverse magazine supply chain.

Publishers agree allocation quantities with wholesalers in advance. Nearer publication, wholesalers are notified of issue details & delivery plans via publishers EDI Issue Files and advance delivery information on carrier websites. On receipt of supplies, wholesalers validate quantities and issues and report discrepancies via internet for publisher resolution.

Supplies are packed & distributed to retailers daily and invoiced weekly. Stock remaining after pack (overstock) is held in the stockroom to meet subsequent retail orders for extra supplies, shortage replacements etc. Retailers using ePOS systems do not initially receive their full order. A proportion is held back by the wholesaler and released as ePOS data signals the need for replenishment. This system – Sales Based Replenishment (SBR) allows more efficient use of stock and reduction in overall unsold quantities.

At the end of on-sale period, the wholesaler issues a Recall Note, driven by issue data from the EDI Issue File. Retailers return unsold copies of the recalled issues which are processed by wholesalers by bar code or photographic scanning. Retailers receive credit on their weekly invoice statement for the processed copies.

Wholesalers in turn provide publishers weekly with details of retailers’ supply and returns information (SORDET). Credit is also claimed electronically from publishers for the unsold copies returned by retailers & credited to them. Publishers provide EDI Invoices and Credit Notes to wholesalers for supplies and credits due to them.

Wholesalers are required to operate contracted arrangements within approved systems for the secure recycling of processed unsold copies. These are either re-pulped and recycled in UK as newsprint or ‘hogged & baled’ for export and recycling overseas. Wholesalers retain the revenue they receive for the recycled material.



APPENDIX 2

PRODUCT HANDLING SECURITY

Magazines

Newspapers

Vouchers

Free Gifts

Collectibles

**Can only be removed from these premises for
authorised:-**

Distribution

Disposal

Destruction

Return to Publisher

**This is company policy and a contractual
requirement of the publishers**

**Failure to comply will almost certainly result in
disciplinary action against any individuals
involved**



APPENDIX 3 – GLOSSARY OF TERMS

ABC	Audit Bureau of Circulations. Owned by the media industry, the ABC independently verifies and reports on media performance, providing a major trading currency for media buyers and owners across print, events, digital and evolving platforms
AFFIDAVIT	A 'claim of honour' submitted by ANMW wholesalers for sale or return titles.
ANMW	Association of Magazine Wholesalers. The trade association representing wholesalers.
BAR CODE	Usually printed in the bottom right hand corner of a magazine's front cover. It is a product code uniquely identifying the products title name and specific issue. It is used as a vehicle to communicate this information with our trading partners via an issue file
BUNDLE	An agreed number of copies held together as a unit, for ease of handling.
CARRIER	The distribution company (or companies) used by publishers to effect delivery to wholesalers.
CIRCULATION	Officially audited and certified sales of magazines & newspapers. The official certification body is the Audit Bureau of Circulations (ABC)
CUSTOMER NUMBER	A specific number given by individual wholesalers to their retail customers for identification purposes (also referred to as "Box Number").
DAY OF SALE	That specific date or day given to all titles when they should arrive on sale at retailers
DELIVERY	The physical placement of ordered quantities to specified addresses.
DELIVERY ADVICE	Produced by publisher/distributors to instruct carriers where to deliver supplies. When signed, it will be used as a proof of delivery.
DESPATCH	Arranging and the physical movement of finished product from a known place.
DISTRIBUTION	The physical movement of goods through the supply chain. This involves, delivery to the wholesalers by carriers, and then from wholesaler to retail outlet.
EARLY RETURNS	Retailer unsolds sent back to wholesaler before the due Recall Date
EDI (ELECTRONIC DATA INTERCHANGE)	The transfer of structured data by electronic means, by agreed message standards, from one computer system to another.
EPOS	Electronic Point of Sale Information. Exchanged between retailers & wholesalers. (See SBR Sales Based Replenishment)
EXTRAS	Those copies, of a title (or titles), received by the retailers/ wholesalers after the first supply (also known as supplementary)
FIRM SALE TITLES	Titles supplied on a non-returnable basis.
GROSS ORDERS	The total quantity of a title (basic/first order plus extras) supplied into the wholesaler before any claims for unsold copies are made or passed for any one issue.
HANDLING	The number of wholesalers & retailers taking a supply of any given title.
INVOICE	Statement of Account and Credit Note raised by publishers for the wholesale trade. It is normally itemised to show title, cover date, copies, cost and the net figure after discount.
ISSUE CODE	A standard industry code that recognises titles by week or month number – part of the bar code (also known as Issue Number)
LABELS	Attached to odd bundles identifying order delivery location, issue and quantity.
NET SALES	The actual number of copies sold of a title for any given issue.
OFF SALE DATE	The off sale date of an issue is the first date copies should be withdrawn from sale in retail outlets. This date is coincident to the first date of the recall period, when sale or return issues shall be recalled from retailers by wholesalers for the processing of unsold copies. The EDI Issue File communicates an issue's off sale date to wholesalers.

PPA AFFIDAVIT CLAIMS GUIDELINES



ON SALE DATE	The on sale date of an issue is the date copies of that issue shall be fully available for sale in retail outlets. The EDI Issues File shall communicate an issue's on sale date to wholesalers.
OVERSTOCK COPIES	Those supplies held in stock during a title's selling period. Normally copies surplus to retailer requirements after pack.
PACKING ERROR	A shortage of copies into a trade customer caused by an incorrect bundle or pack size.
PALLETS	A container or platform for transporting, storing and loading/unloading of a quantity of bundles.
PPA	Periodical Publishers Association. The trade Association representing magazine publishers.
PROOF OF DELIVERY	Confirmation showing that a correct delivery was made.
RECALL PERIOD	Every issue for each title handled and distributed has an industry agreed time frame by which all claims for unsold copies must be registered, either through a manual Credit Claim form or EDI. Currently, this is designated as 21 days after the off-sale date. The wholesaler therefore, imposes time constraints upon his retail customers for claiming unsold sale or return copies.
RETAILER	A newsagent, supermarket or other outlet selling magazines and newspapers
RETURNS	Those copies that have not been sold by the end of an issue's on-sale period.
SALE OR RETURN (SOR)	The concession to credit unsold copies, offered by distributors, on behalf of the publishers.
SBR (Sales Based Replenishment)	Stock replenishment system whereby wholesalers initially distribute only part of a retailer's full supply. Subsequent copies are dispatched to replenish supplies on the basis of EPOS feeds from participating retailers.
SECONDARY DISTRIBUTION	A wholesale action to effect a further distribution for a title to retailers and is usually actioned after their initial retail distribution
SUPPLEMENTARY ORDER	Extras in addition to the initial copies supplied to the wholesaler.
SUPPLY	Supply quantity generated by publishers for wholesalers by title and issue.
SUPPLY CHAIN	Any part that involves activity in the control and movement of goods from manufacture site to customer premises.
STOCKROOM	The area within a wholesaler's premises devoted to the storage of retained stock balances after retail customer orders have been fulfilled.
UNSOLDS	Copies at the end of the selling period.
WHOLESALER	Wholesalers are the primary customers of publishers and suppliers to retailers