



RETURNS PROCESS
SUPPLIER TRAINING GUIDE

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INTRODUCTION

INTRODUCTION

- Ariba Network supports the capability to process return orders. Buyers can return goods that they've purchased from a vendor and receive credit for them. Purchase orders can now include return items, that is, items that are being returned to the supplier.

- Returns can occur for many different reasons, including:
  - Warranty
  - Non-compliance by the supplier (goods failed quality inspection)
  - Reaching the end of life of equipment
  - Damaged or defective product
  - Equipment upgrade
  - Overstock
  - Delivery error

- Return items can be included on regular orders. To process return items, you can create a line-level credit memo called a Return Item Credit Memo. The Return Item Credit Memo is always PO-based. You can create a Return Item Credit Memo only for return items on a single order.

RETURNS PROCESS
DOCUMENTS

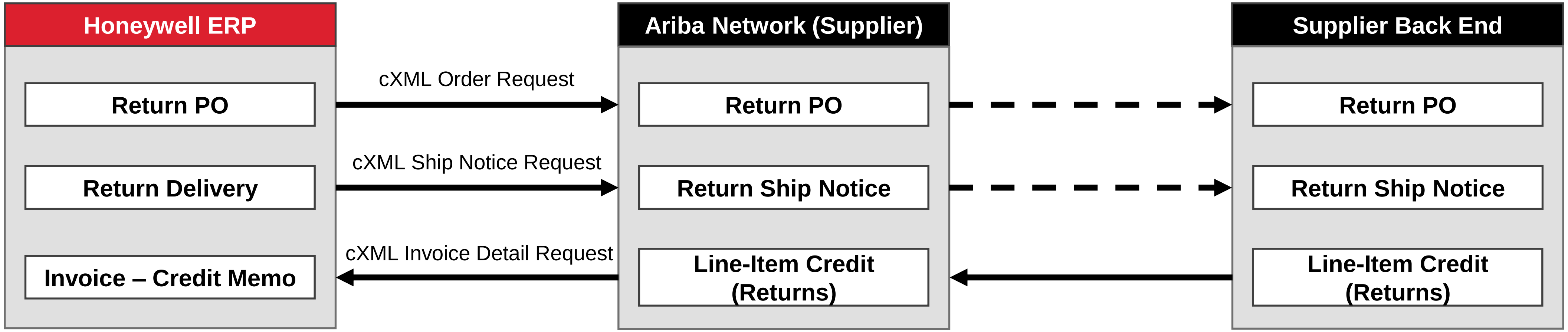
Document	Description
Purchase Order Lines with Return Items	Purchase order that contains a return PO line item (negative quantity will reflect in purchase order)
Finish Good Receipt	Customer confirmation of final product receipt
Line-Item Credit Memo for Return Item (Invoice)	Line-item credit memo submitted against return purchase order line items

RETURNS PROCESS
WORKFLOW

Workflow process for returns

The following describes the workflow for returns process:

1. The buyer requests a Returned Material Authorization (RMA) from the supplier. The RMA process is managed outside the Ariba Network.
2. The supplier authorizes the RMA.
3. The buyer submits a return purchase order to the supplier.
4. The buyers submits a return ship notice to the supplier and ships the goods to the supplier's location.
5. The supplier creates a credit memo for return items to reimburse the buyer for the returned goods.
6. In the credit memo, the supplier edits the price for return items.



MODES OF INTEGRATION AND AUTOMATION

Ariba allows suppliers to work in different modes:

Ariba Portal: The Supplier works online through a Web Browser. Data entry can be on screen or using download and upload functionality.

Full System Integration: Ariba Network allows to electronically integrate with the network. For technical details please refer to your trainer.

Manual: The Supplier can manually enter the data in Portal and upload

Excel: The Supplier can utilize Excel options to upload data.

PORTAL USER INTERACTION

RETURNS PROCESS
OVERALL CONSIDERATIONS

- When you confirm individual line items, only regular items are flipped to the Order Confirmation; items marked for return cannot be confirmed.
- The quantity for a credit memo for return items cannot exceed the return quantity on the order.
- All return items on a Return Item Credit Memo must be from the same order. You cannot create a Return Item Credit Memo for return items from multiple orders .
- If a return item or the entire order is flagged for Evaluated Receipt Settlement (ERS) or the order does not allow Ariba invoicing, then a credit memo cannot be created for that return item.

PORTAL USER INTERACTION

View Return Items

Credit Memo for Return Items

- Create a Credit Memo
- View Submitted Credit Memo

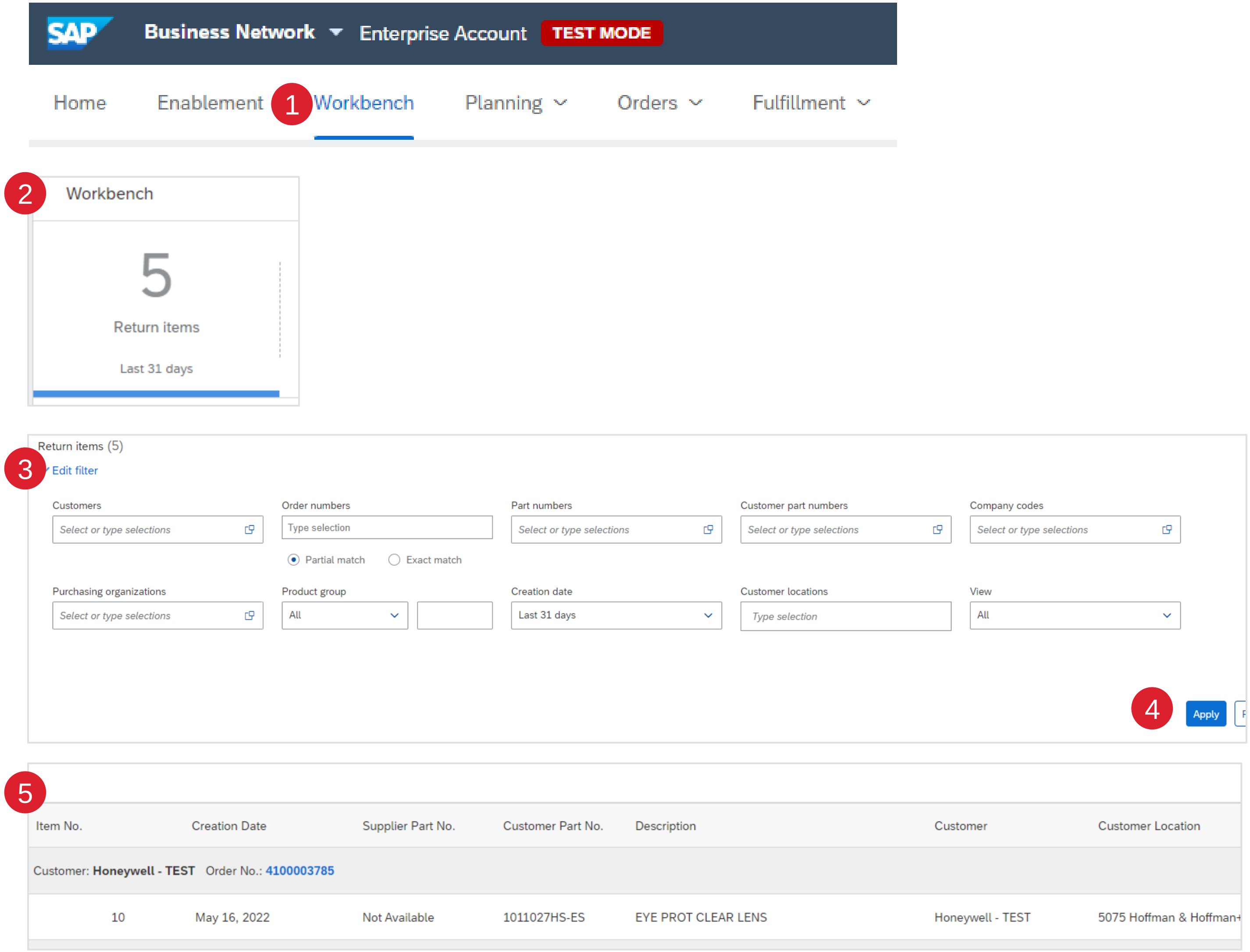
View Goods Receipts for Return Shipments

RETURN ITEMS

VIEW RETURN ITEMS (FROM THE WORKBENCH)

From the Homepage:

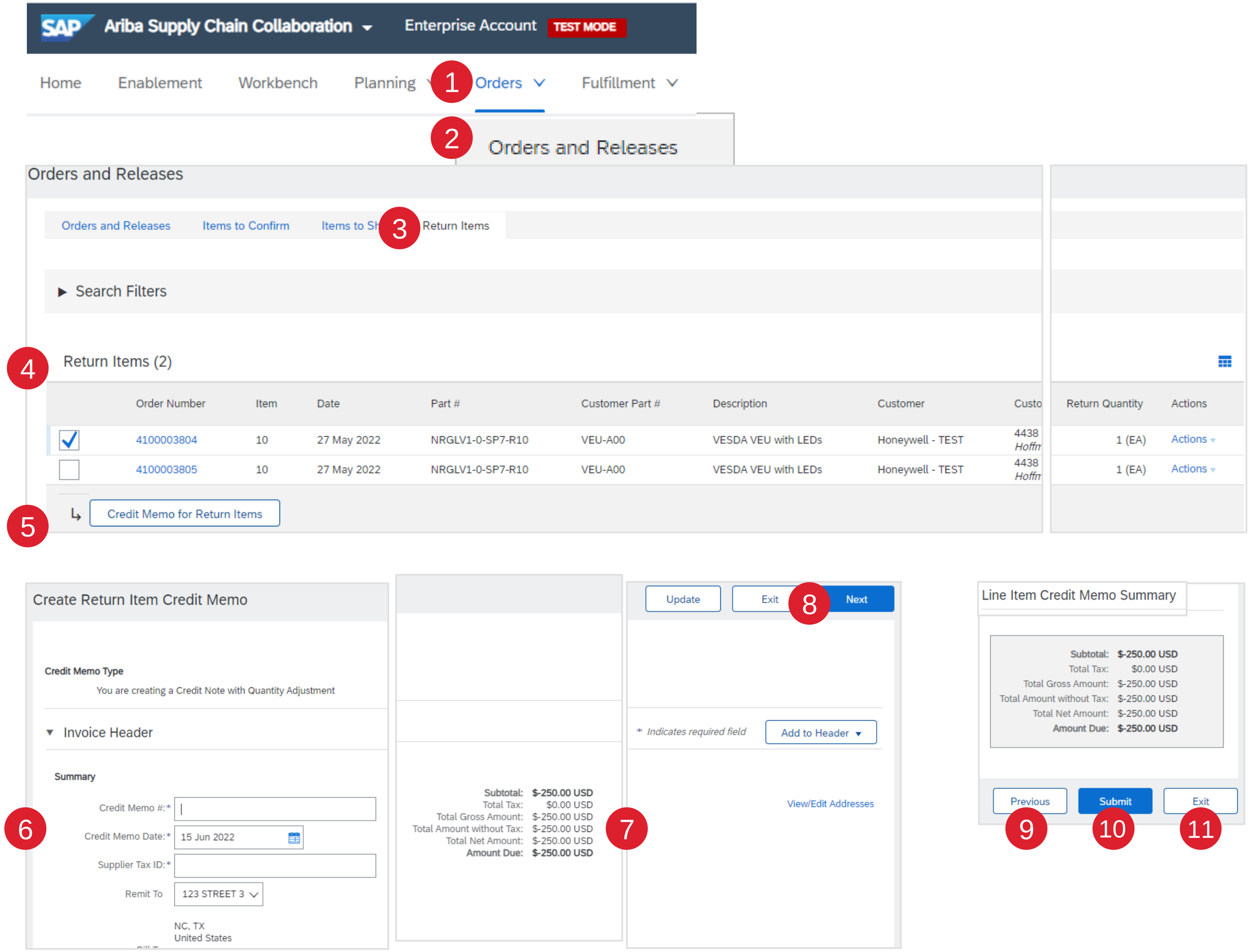
1. Click **Workbench**.
2. Select the **Return items** tile.
3. Use **filters** to identify the right document
4. Click **Apply**
5. Open the Returns PO by clicking its **number**.



CREDIT MEMO

CREATE A CREDIT MEMO FOR RETURNS ITEMS

1. To create a Credit Memo, click on the **Orders tab.**
2. Select **Orders and Releases** from the dropdown list.
3. Click on the **Return Items** sub-tab.
4. **Select** one or more **return items** from the same order.
5. Click the **Credit Memo for Return Items** button.
6. Enter all information marked with an asterisk to successfully move forward.
7. The subtotal will reflect a negative value.
8. Click **Next** to review your memo.
9. To make further changes, click **Previous**.
10. To submit your changes, click **Submit**.
11. To exit without saving any changes, click **Exit**.

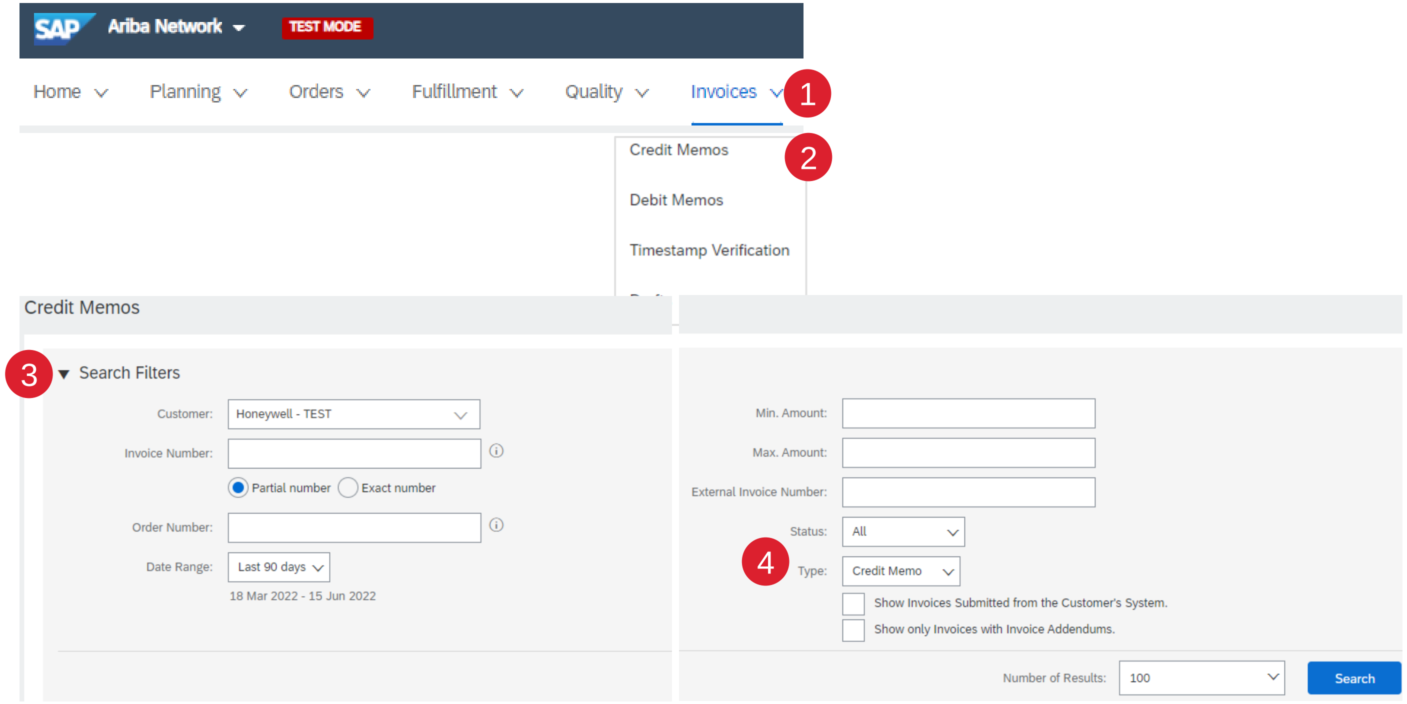


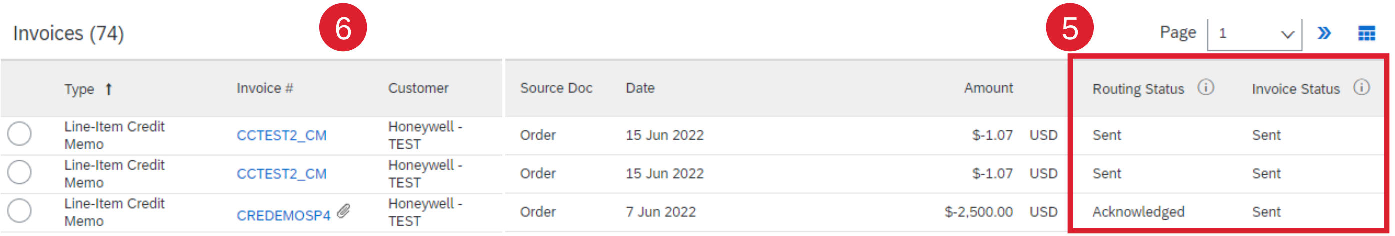
Note: If you selected only one return item, you could also select **Actions** > **Credit Memo for Return Items.**

CREDIT MEMO

VIEW SUBMITTED CREDIT MEMO FOR RETURNS ITEMS

1. To view submitted credit memo, click on the **Invoices** tab of your supplier account.
2. Select **Credit Memos** from the dropdown list.
3. Use the specific search criteria to ease the search.
4. Set Type as **Credit Memo** > **Search**
5. Review search results, including Routing and Invoice statuses (more in Appendix).
6. To open a Credit Memo, click on its number from column “Invoice #”

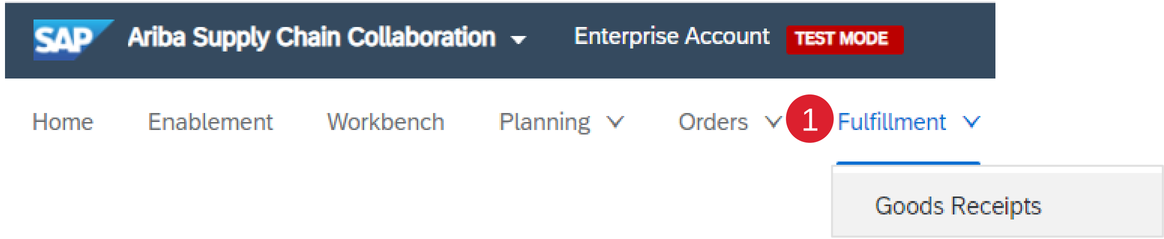


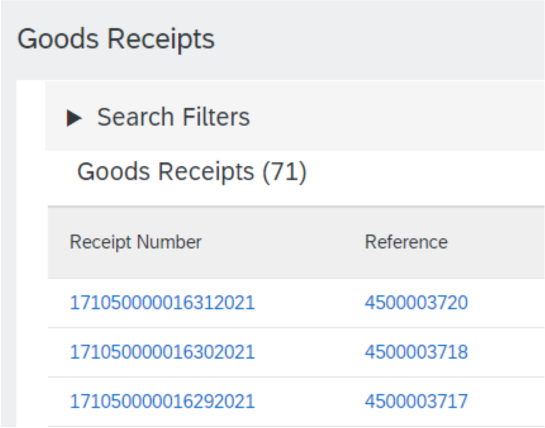


GOODS RECEIPTS

VIEW GOODS RECEIPTS FOR RETURNS SHIPMENTS

To view receipts sent to customer, click on **Fulfillment** > **Goods Receipts**.





APPENDIX

ROUTING STATUSES

The **Routing Status** field describes whether your invoice made it to your customer's invoice processing system.

- **Failed** - This status means that the invoice didn't follow your customer's invoicing rules. Failed invoices aren't sent to your customer's invoice processing system. You can edit and resubmit a failed invoice.
- **Obsoleted** - After you cancel an invoice or edit and resubmit an invoice, the original invoice moves to **Obsoleted** status to indicate that you don't need to take any further action on the original invoice. Once an invoice has this routing status, you can't make any changes to it.
- **Queued** - Ariba Network is in the process of sending the invoice to your customer. Contact Ariba Customer Support if your invoice remains in this status for more than 30 minutes.
- **Sent** - Ariba Network sent the invoice to your customer, but your customer hasn't yet acknowledged that they received the invoice. If your invoice stays in this status for a while, contact your customer to see what needs to happen next. If your customer allows it, you can cancel an invoice with this routing status.
- **Acknowledged** - The invoice reached your customer's invoice processing system. **Acknowledged** is the final routing status for invoices.

INVOICE STATUSES

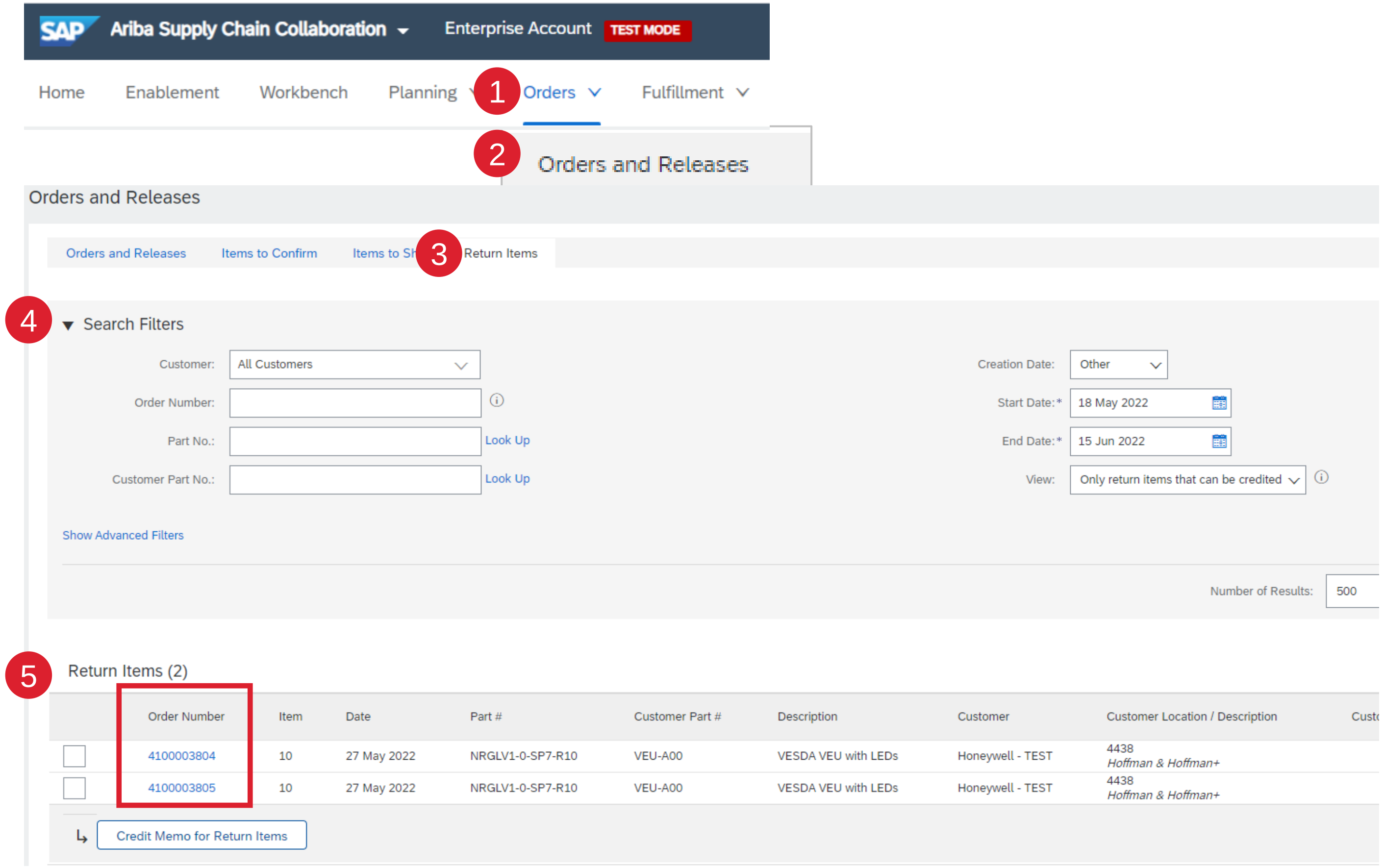
The **Invoice Status** field lets you know where your customer is in the invoice approval and payment process. The turnaround time for an invoice to move between statuses, such as from **Sent** to **Approved**, depends on your customer's internal processes.

- **Canceled** - You canceled the invoice and can't make any further changes to it.
- **Sent** - Your customer received the invoice but hasn't approved or rejected it. If your invoice stays in this status for a while, contact your customer to see what needs to happen next. If your customer allows it, you can cancel an invoice with this invoice status.
- **Rejected** - The invoice failed validation on Ariba Network, or your customer rejected the invoice in their invoice processing system. You can edit and resubmit a rejected invoice.
- **Approved** - If the invoice doesn't have any errors, your customer approves the invoice for payment, which changes the invoice status to **Approved**. After an invoice reaches **Approved** status, you can't make changes to it. You'll need to send a credit memo if you made a mistake.
- **Paid** - Your customer paid the invoice or is in the process of issuing payment.

RETURN ITEMS

VIEW RETURN ITEMS (FROM THE ORDERS TAB)

1. To access a Return PO, click on the **Orders tab**.
2. Select **Orders and Releases**.
3. Click on the **Return Items** sub-tab.
4. Use the specific **search criteria** to populate return items. Advanced filters allow more refined search.
5. To view the return item, click on the order number.



Note: This view will be replaced with the new Workbench concept soon.