

Recommendations for O/R vs. Bulk ND Audit

The following recommendations will get the O/R and Bulk files back to a level playing field. Careful monitoring will then hopefully identify any operational or programming deficiencies which are allowing the O/R and Bulk files to become out of balance.

Clean up Deleted/Suspended Retailers and Titles no longer invoiced

There are many records on file for retailers that have been deleted/suspended for years. There are many records still on file for titles that have not been invoiced for years.

Clean up old retailers

Code 501 - Retailer Mass Update

Select by: 'del/sus date'

From/to: 01/01/90 - 8/31/02

Update field: delete rtlr (y/n)

Update data = Y

Clean up old titles

Code 701 - Title Mass Update

Select by: 'invoice date'

From/to: 01/01/90 - 08/31/02

Update field: 'delete'

Update Data = Y

Clean up old posting errors

We have found two separate conditions, caused by posting error, which need to be cleaned up.

Drop old issues with unclaimed returns (returns in excess of received)

We have found that there are many old bulk issues, which should have aged off long ago, but have not. This is due to 'returns in excess' of received. The system does not allow any returns to go on affidavit if the quantity of returns is greater than the received quantity. Currently both agencies, Grand Prairie and San Antonio, are set up to keep any bulk issues with unclaimed returns on file indefinitely. Since the 'returns in excess' will never be claimed on affidavit, these bulk issues will stay on file forever. Turn off the flag before the next Reorg run. This will allow all bulk issues that are old enough to age off during Reorg.

Code 321 - Reorg Options - Save Bulk Unclm Rtns = N

Affidavit Chargeback

We have found that there are many bulk issues where the returns to ND are greater than the sum of retailer and stock returns. There is an option, currently inactive at Grand Prairie and San Antonio, that allows the system to automatically correct this. The option is Code 321 - Return

Options - Affidavit Chargeback. When this option is active, if the bulk issue ND Returns are greater than the sum of Retailer and Stock returns, the system will create a "charge back" affidavit for the difference, and the ND Returns are reduced so that ND Returns = Retailer Returns + Stock Returns.

***Affidavit Chargebacks are not transmitted to the ND through IPDA. The Chargeback affidavits print with a '98' in front of the ND number and creates a separate spool file print job. You should print out and file a hard copy of the charge back affidavit.

We want you to follow this procedure when you are ready to activate this flag.

1. Run Code 814 normally as you are doing now (the option is still turned off)
2. Run a Code 990 back up immediately after 814 completes
3. Activate the Code 321 - Return Options - Affidavit Chargeback
4. Run Code 814 again using the exact same date as in step 1. (This will produce only the charge back affidavits).

Moving Forward

After the above settings are changed and REORG is run, and old issues are dropped and Bulk/OR out-of-balance conditions are eliminated, you will be at an ideal cutoff point at which to begin watching for new out-of-balance conditions.

The O/R and Bulk Net Sale should be monitored on a weekly basis. Then, when an out-of-balance occurs, action must be taken to identify the cause. Immediately after Code 179 is run, the O/R and Bulk files will be (should be) in balance. We are expecting to see titles on the cutoff invoice run get out of balance a couple of weeks down the road.

Weekly monitoring is going to allow you to pinpoint the exact week that the out-of-balance occurred. Then you can look specifically at that week's EOD reports (Bulk File Posting Report, Bulk Return Posting Report, Return/Reorder Report, and O/R Maintenance Report). These reports should allow you to pinpoint the exact day that the out-of-balance occurred, and provide a clue as to how the out-of-balance happened. If these reports do not provide the clue, then the entire week of back up tapes could be sent to DPS for programmer analysis.

Starting with the first invoice run after the cutoff point, run the Code 424 Bulk to O/R comparison on a weekly basis. This should be run immediately after the 814 affidavit is run for the week.

The ND is looking to charge you back when the O/R Net sale is greater than the Bulk net sale. The 424 report has a column 'dlr sale pct'. This column reports the percent difference between O/R net sale and Bulk net sale. The calculation is $(\text{Bulk net sale} - \text{OR net sale}) / \text{OR net sale} * 100$. Therefore, if the O/R is greater than the Bulk, this column will be negative. We are looking for any title/issues with a negative number in the 'Dlr Sale Pcnt' column. The selects listed below will show us any issues that have a negative sale percent.

Code 424 - Bulk To O/R Comparison

Select by "invoice date", From = Invoice date of cutoff invoice run, To = 12/31/06 (or any other far future date)

Select by "sale pcnt", from = 99999-, to = .01-, include = .01-, exclude = 0

Affidavit Run Notes**Before the Affidavit Run**

Both SA and GP have a query report (Q120 - #402 Returns In Excess of Received) that can be run prior to the affidavit run to identify posting problems. Correcting these before the affidavit run prevents a zero net sale condition for the title issue.

Code 423 can also be run to identify minuses in stock, so those can be corrected before the affidavit run.

After the Affidavit Run

Code 423 can be run to print only 'Excessive Publisher Returns' (sum of retailer returns and stock returns is less than ND returns). The 814 affidavit run prints the totals from the Returns report with a line "Excessive Publisher Returns". In SA and GP this report is setup as Code 423 #1 Excess Pub Returns.