

Supply Chain Purchasing Supplier Debit Process

Primary: Miguel Perez
Issue Date: January 2025
Supersedes: N/A

1.0 INTRODUCTION

Briggs & Stratton, LLC uses the Supplier Debit Process to document and recover costs incurred due to a supplier's inability to follow written requirements. Examples of this may include, but are not limited to:

- Product/Service defects or nonconformances
- Incorrect/Missing labeling
- Incorrect/Missing Advanced Shipping Notices (ASNs)

2.0 ASSOCIATED DOCUMENTATION

The following documents outline the Supplier Debit Process:

Supplier Debit Process Overview – Outlines program charges and rules for the suppliers

Supplier Debit Form – Template to fill out and send to suppliers

Supplier Debit Process Tracker – Internal tracking system to record supplier debits

3.0 SUPPLIER DEBIT PROCESS

The following steps outline the process by which Briggs & Stratton will follow to perform a Supplier Debit Chargeback:

- 3.1** The plant will request and create a P-Number for an issue relating to a purchased item.
- 3.2** The SCA for the supplier and the Plant Supply Chain Manager (SCM) will investigate the issue. If the cause is found to be Briggs & Stratton's fault, no action will be taken. However, if the supplier is found to be at fault, the SCM will take actions to debit the supplier.
- 3.3** The SCM will add the P-Number to the Supplier Debit Process Tracker, and calculate the charge amount.
- 3.4** The SCM will then fill out the Supplier Debit Form and send it to the supplier. The supplier has 3 days to acknowledge the charge and discuss it before a debit will be issued.
- 3.5** After three days, the SCM contacts Accounting for a GL Account and a Cost Center.
- 3.6** The SCM will notify Accounts Payable (AP) of the need to debit the supplier.
- 3.7** AP will debit the supplier and update the Process Tracker noting the date of the debit.