Process and Reconcile a Deposit to Steelcase

Described below are the recommended steps to process and reconcile a deposit to Steelcase using Hedberg.

High Level Overview
At a high-level, this is a 5-step process. See the details instructions below on page 1.
1. Create and send your Purchase Order to Steelcase.
2. After you receive the Steelcase Acknowledgment, in Hedberg enter:
   - a Vendor Deposit
   - an ODM (“Our Debit Memo”)
3. In Payment Cycle > Payment Selection, select both the Deposit Invoice and the ODM for payment.
4. Process your payment to Steelcase as you normally would.
5. Reconcile the Steelcase Invoice to the Deposit.

An example
You are sending a $100,000 Purchase Order Purchase Order to Steelcase and intend to pay a 30% deposit - taking advantage of the 5% discount on the deposit payment.

The Steelcase invoice will be for $100,000 at time of shipment.

You take 5% of the $30,000 deposit ($100,000 * .05) and you have the option to take 2.25% of the $70,000 remainder. Your payments will look like this:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit</td>
<td>$30,000</td>
</tr>
<tr>
<td>ODM</td>
<td>$1,500</td>
</tr>
<tr>
<td>Deposit Payment</td>
<td>$28,500</td>
</tr>
<tr>
<td>Steelcase Invoice</td>
<td>$100,000</td>
</tr>
<tr>
<td>Deposit</td>
<td>$30,000</td>
</tr>
<tr>
<td>Outstanding Invoice Amount</td>
<td>$70,000</td>
</tr>
<tr>
<td>Discount</td>
<td>$1,575</td>
</tr>
<tr>
<td>Payment Due</td>
<td>$68,425</td>
</tr>
<tr>
<td>Total Payment</td>
<td>$96,925</td>
</tr>
</tbody>
</table>

Detailed instructions

Processing the Deposit
- The screens in the following steps reflect the example above.

1. Create and send the PO to Steelcase following your normal process. Remember: if this is an essential order to follow the instructions associated with marking the order “COVID-19”.

2. On receipt the Acknowledgment, the deposit amount and due date (5 business days from Acknowledgment date) can be determined.
3. In the Vendor Deposits program (Accounting > Accounts Payable > Vendor Deposits), enter a deposit for the 30%. Be sure to reference the same PO number referenced on the Acknowledgment.

4. In Vendor Invoice Entry (Accounting > Accounts Payable > Vendor Invoice Entry), enter an ODM for Steelcase for the 5% discount associated with the deposit. When entering the ODM, the General Ledger distribution should be to the same account used for standard vendor discounts.

**Note:** If the “Require Remit Advice Reason Code and CVR Number” Program Option is active, do not click the Remit Advice button.
5. In Payment Cycle (Accounting > Accounts Payable > Payment Processing > Payment Cycle), select Payment Selection and select both the Deposit Invoice and the ODM for payment. The net payment will reflect the deposit minus the 5% discount.

6. Process your payment to Steelcase as you normally would. Remember that the discount on the deposit amount requires that it be paid within five (5) business days of the Acknowledgment date.

Reconciling the Steelcase Invoice to the Deposit

You will receive an invoice from Steelcase for your Purchase Order for the full amount via EDI.

1. During Payment Selection (Accounting > Accounts Payable > Payment Processing > Payment Cycle), Hedberg connects the deposit payment to the Steelcase invoice. However, the discount on the invoice will reflect the usual 2.25% of the total invoice.
2. Manually calculate the 2.25% of the on the total invoice minus the total deposit amount and update the Discount field. You will need to enter “ShortPay Information” and a reason. From the drop down select “Deposit” and enter “COVID-19” in the reason field.

3. Process your payment to Steelcase as you normally would.