

Section – 2a (Retail)

Electronic Data Interchange

Overview – Party America

For EDI requirements related to Party America contact members of the Party City EDI Team:

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Overview – Party City

Electronic Data Interchange (EDI), between Party City and the vendor establishes standardization of information for accurate product flow from the vendor to Party City customers. The American National Standards Institute (ANSI) formed the Accredited Standards Committee (ASC) X12 to define EDI standards of communication. Existing Party City vendor will trades in VICS version 4030. New vendors will trade in VICS version 4010.

Party City vendor partners must be capable of exchanging information via Electronic Data Interchange (EDI). Only Party City Corporate stores will use EDI. Franchise stores will continue to use faxed POs and paper invoices.

There are several EDI software providers who can help provide the tools to transmit data via EDI. Party City does not require a sole source solution, but offers alternatives to facilitate cost-effective electronic trade.

All vendors must communicate any modifications of their EDI or back office systems to Party City's EDI team, in writing, 60 days before such modifications are implemented. Vendors must work with Party City's EDI Team to validate all documents affected by modifications. Contact information can be found in Section 11.

Benefits

EDI eliminates supply chain inefficiencies by:

- Improving Data Integrity: The automated exchange of information improves data integrity by reducing human error.
- Reducing Operational Costs: The long-term return on investment, due in part to decreased operational expenditures and misallocated resources, offsets the initial start-up and ongoing costs of EDI.
- Improving Customer and Vendor Relations: The electronic transfer of time sensitive documents results in expedient delivery of product to store shelves, improving customer satisfaction and increasing sales.

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Methods of Communication

There are three methods of communication to send and receive EDI data between Party City and our Vendors. There is a short description below of these methods. The vendor must decide which one is applicable to their business or system capabilities.

Value Added Network (VAN)

A Value Added Network (VAN) eliminates the need to interface with each trading partner individually. The transfer of information is analogous to correspondence one might exchange through a post office box or slot. The network accepts messages from all participants and stores them in the appropriate slots, where only the assigned users may access them. A vendor subscribing to a VAN need only interface with the vendor's assigned mailbox. A VAN will count kilocharacters per transaction and charge the subscriber (vendor) for transactions being sent as well as received. **If a vendor chooses to use a VAN, then the member is responsible for all kilocharacter charges for data sent and received**

Direct Connection - AS2

Direct connection with a trading partner eliminates kilocharacter charges and the costly expense of subscribing to a VAN. However, direct connection adds responsibilities otherwise covered by a VAN, such as: security to limit system access, and the ability to handle a variety of protocols and transmission rates. AS2 is the required method for direct connection. The Vendor is responsible for their AS2 license fees. This is Party City's preferred method of electronic trading of business documents. Vendors are encouraged to take advantage of this means of transferring data.

Internet

A web-based solution generally involves manual or automatic data entry onto a web form provided by a third party. Party City strongly encourages non-EDI capable vendors to fully evaluate a web-based solution. It is a cost efficient, easy to implement, secure EDI solution minimizing ongoing transactional kilocharacter charges associated with a traditional EDI VAN provider.

Each of the aforementioned communication methods can be integrated with the vendor's current system or exist as a stand-alone system. *Integrated systems* are able to pass data received into other applications without manual intervention. Reduced manual entry is one of the greatest Return on Investments (ROIs) of EDI. *Stand-alone systems* primarily receive data and require the vendor to manually enter the data into other applications.

If a vendor chooses to utilize a VAN or direct connection, software is required to translate the vendor's internal data into the EDI format and to translate data received from a trading partner. The software also performs editing and control functions to ensure the data meets the ASC X12 specifications. A vendor can choose to use any of the following translation software options:

- Commercial translation packages
- Core business turnkey application software including EDI translation
- Value Added Networks/service providers

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EDI Mapping Guidelines

The EDI Mapping guidelines provide the requirements for each EDI transaction set and detail specifications of the data exchanged between Party City and our vendors. To obtain the mapping guidelines, contact the Party City EDI team.. **Party City mandates all vendors follow the published EDI Mapping Guidelines for each of the EDI transaction sets. Deviations from the guidelines are not acceptable. Deviations from the guidelines will result in EDI transmission failure and may incur reimbursement charges as outlined in this guide.**

EDI Transaction Sets

As per the EDI standards, each supported document, as listed below, is given an identifier known as a Transaction Set. For instance, a Purchase Order document is referred to as “PO 850.”

Party City requires all vendors to be able to receive or send the following EDI Transaction Sets:

Outbound/Inbound from Vendor’s Point of View	EDI Transaction Set Number	Document Description
Inbound	850	Purchase Order
Inbound	860	Cancellation Only PO Change of Request – Buyer Initiated
Outbound	856	Advance Ship Notice
Outbound	810	Invoice
Outbound/Inbound	997	Functional Acknowledgement

The following websites provide useful information about EDI and the Standards:

www.disa.org - Data Interchange Standards Association

www.gs1us.org - Uniform Code Council

www.ansi.org - American National Standards Institute

www.vics.org/ds.htm - Voluntary Inter-industry Commerce Standards (VICS)

850 PO

The 850 transaction set is used to place purchase orders. The transaction set will not be used to convey purchase order changes or purchase order acknowledgment information. The 850 PO transaction set contains all information contained on a hard copy PO. In addition, the 850 PO will contain the terms (payment and shipping) the vendor must use for the order. Invoicing with terms other than those contained on the 850 (PO) will be subject to reimbursement charges. Refer to Section (8), Reimbursement and Waiver Policy section, for more information.

POs are transmitted Monday thru Friday, between the hours of 7 AM and 8 PM. All vendors are required to transmit a 997 Functional Acknowledgement for all 850s back to Party City within 24 hours of receipt.

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The following are the Data fields for the 850 PO

EDI PO DATA FIELDS SENT TO VENDOR:	
Header Fields	Detail Fields
<ul style="list-style-type: none"> • PO Number • PO Type • Backorder - Y Seasonal/New Store - N all others • Department Code if Seasonal PO • Buyer Phone • AP Terms • PO Notes - 60 Char. • PO Date • Ship to - Store Name • Ship to - Store Number • Ship to - Ship Address • Ship to - City, State, Zip • Ship Via - usually TRG • Bill to Name and Address • Deliver on date for everyday orders • Do not deliver before date on seasonal and new store orders • Do not deliver after for seasonal and new store orders • In Store Date - (If seasonal or new store, the last arrival date) • Cancel Date • (Ship Date not sent to vendor) • Vendor Number • Vendor Name • FOB - CC for Collect or PP for Prepaid 	<ul style="list-style-type: none"> • UPC • Case Pack ID • SKU • Vendor Product Description • Qty Ordered - selling units • UOM • Unit Price - 3 decimals

860 PO Cancellation

The 860 EDI document can be used for both PO changes as well as cancellations, **Party City will only be using the 860 EDI document to cancel POs if required.** PO cancellations are transmitted Monday thru Friday, between the hours of 7 AM and 8 PM. All vendors are required to be capable of receiving the 860 PO Cancellation. All vendors are also required to transmit a 997 Functional Acknowledgment for all 860 transaction sets back to Party City within 24 hours of receipt.

Please note, any issues with your Party City PO in regards to the following should be addressed by a member of the respective Merchandising team and not the EDI team:

- Pricing/Cost
- Vendor Item Number
- Vendor UPC
- Orders not meeting minimums
- Unavailability of product
- Cancelled POs

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856 Advance Ship Notice

The 856 transaction is used to provide Party City with advance data on the shipments of products so Party City may better plan workloads and receipt processing. The ship notice may be sent no later than the time the shipment leaves the vendor's shipping area. The ship notice must reflect exactly the product and quantities by carton being sent on the truck as it leaves the vendor shipping area. Party City requires one PO be associated with each ASN. You may have multiple ASN's associated to one PO. The ship notice **must arrive before the shipment**. Refer to the Packaging and Packing Instructions section (3) for UCC-128 label requirements for the 856 (ASN). Please take note, batching processes may delay receipt of an ASN to Party City. Shipments received without an ASN are subject to significant reimbursement charges as defined in the Reimbursement and Waiver Policy section (8). The ship notice does not exceed the scope of the bill of lading (BOL), nor does it replace the bill of lading.

All cartons associated with an ASN must have the Party City approved UCC-128 label that matches the carton ID on the ASN. Missing or incorrect carton labels are subject to significant reimbursement charges as defined in the Reimbursement and Waiver Policy section (8).

ASNs must be received and processed by Party City prior to the shipment's arrival at the receiving facility. If vendor's ASN has not been acknowledged, vendor must follow up immediately to ensure the EDI document has been received at Party City prior to the shipments arriving at the Party City location. All mapping specifications are available on the Internet Commerce Corporation Website.

The following are the Data Fields on the 856 Advanced Ship Notice (ASN)

856 DATA FIELDS	
Header Fields	Detail Fields
<ul style="list-style-type: none"> • Vendor Number • Shipment Number • Shipped Date • FOB Shipment Method of Payment • FOB Description • Ship Point Zip Code • Scheduled Receipt Date • Pro Number/Tracking Number • Bill of Lading Number • Invoice Number • Number of Cartons • Weight • SCAC Code • Ship to Store Number • PO Number • Release Number • PO Date • FOB - CC for Collect or PP for Prepaid 	<ul style="list-style-type: none"> • Carton Number (Pack Level) • Vendor Item Number • UPC • QTY

Transmission Errors

When errors are detected on inbound EDI documents, vendor will be notified. After notification, vendor is required to correct and re-send the documents within 24 hours. Vendor must notify Party City the corrected documents have been re-sent.

All vendors are required to provide ASNs for all Party City merchandise shipments. ASNs for all small parcel shipments must contain tracking numbers.

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810 Invoices

The 810 Invoice is used for the billing of goods and services provided.

All vendors are required to invoice Party City for all corporate store orders using the 810 Invoice transaction set.

The 810 EDI transaction set contains the following information:

810 Invoices	
Header Fields:	Detail Fields
<ul style="list-style-type: none"> • Invoice Date • Invoice number • PO Date • PO Number • Ship to Name • Ship to Store Number • Vendor Name • Vendor Number • Terms Discount Percent • Terms Discount Due Date • Terms Net Due Date • Terms Description (Exact Description from 850 Document) • Terms Discount Days • Terms Net Days • Invoice Notes • Transaction Set Purpose Code • Date Shipped • FOB Method • FOB Description • Bill of Lading/ PRO Number • SCAC Code 	<ul style="list-style-type: none"> • Line Sequence Number • Quantity Invoiced • Unit of Measure (UOM) • Unit Price • Vendor Item Number • UPC • Allowance or Charge Indicator • Allowance Code • Allowance/Charge Amount • Method of Handling • Total Invoice Amount • Transportation Code • Number of Units Shipped • Routing • Weight

Transmission Errors

When errors are detected on inbound EDI documents, vendor will be notified. After notification, vendor is required to correct and re-send the documents within 24 hours. Vendor must notify Party City the corrected documents have been re-sent.

997 Functional Acknowledgement

Functional Acknowledgements (FA) are required for each functional group transmitted. The FA must be sent by the receiver of the functional group, to the sender, by the close of the next business day after receipt. The FA transaction provides a positive response informing the sender if the contents of the transmission are syntactically correct. *Failure to transmit acknowledgements within 24 hours of receipt of transmission, will result in reimbursement charges being assessed in accordance with the Reimbursement and Waiver Policy section (8).* If the FA is not received within 24 hours after the document is sent, the sender must contact the Party City EDI team to identify issues if they exist. The FA is not an acknowledgement of any application data such as terms, discounts, SKU or UPC numbers.

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Getting Started

Exchange of EDI and AS2 information

EDI and AS2 information will be exchanged by completing the Party City EDI Trading Partner Setup Form obtained from the Party City EDI Department. If AS2 is outsourced, please consult provider when completing the AS2 portion of the form. Note the AS2 certificate is part of the information exchange.

You must establish a test schedule that will meet the two week requirement for completion of testing AS2 connectivity, 850, 860, 810, 856, and 997.

A complete system test is required with the vendor and Party City verifying the accuracy of the exchange of data. This test also determines compliance with any unique conditions that have been mutually agreed upon by the partners.

From a technical standpoint, the purpose of the complete system test is to verify the following capabilities:

- The ability to send and receive transmissions to and from the trading partner
- The translation of documents to and from trading partner formats
- The ability to process the output from the translation process
- The generation of the Functional Acknowledgment (997)

The testing process will consist of Party City sending an 850 (PO) to verify the data is correct and the mapping is able to translate the data correctly. The 850 (PO) must be accepted and the 997 Functional Acknowledgement must be returned to Party City. Additionally, Party City requires each PO/Shipment be accompanied by the 856 (ASN) and the 810 (Invoice) EDI documents.

When testing is complete and all parties have agreed to the successful exchange of data, a "Go Live" Letter will be sent to the vendor acknowledging completion of the testing process and a live date will be established to trade documents in production. Instructions will be included in the "Go Live" Letter for parallel processing. Upon completion of testing, all tested document types must be transmitted via EDI.

Once in production charge backs for non-compliance will be assessed for failure to transmit your documents via EDI.