

## Overview – Party City

This section outlines important information for invoice requirements and processing policies. Accurate information will ensure timely processing of payments. All Corporate Party America and Party City merchandise invoices will be paid out of the same system. Initially, Party City and Party America invoices will be paid on separate checks. In 2008, this process will change and invoices for the two companies will be paid on the same check(s). The transmission of EDI invoices will remain the same for each company until 2008. There are two processes for sending EDI invoices; one for Party City and another for Party America. Nancy Higgins, EDI analyst will provide assistance for each process. Please contact Don Chapin, Director of Merchandise Payables and Inventory Control, if you have any questions related to the entire process.

## Invoice Requirements

**Vendors for Party City and Party America are required to transmit invoices for corporate stores electronically (EDI 810).** (See EDI invoice requirements in Section 2, EDI. If you are not able to send invoices electronically, please contact Don Chapin, Director of Merchandise Payables, to avoid non compliance charges and to determine actions required to become EDI compliant).

After a valid PO is received from Party City/Party America, follow these procedures to ensure your invoices are paid on a timely basis:

1. Verify the accuracy of all PO details including unit cost\*, payment terms, minimum order quantities, etc. Do not ship merchandise until all discrepancies on the PO have been corrected and the Merchandising Manager or the P&A Manager provides proof of correction to you in the form of a new PO.

**\*The unit cost on the invoice must not exceed the unit cost on the PO. Party City/Party America will not recognize any vendor price increase effective after the date of a PO.**

***Telephone orders, and verbal commitments will not be considered binding.***

2. Vendors are required to create one invoice per PO, per shipment, per shipping point and per “ship to” point. In other words, one invoice per PO delivery from one vendor location to one Party City/Party America location. You may have multiple invoices per PO but you may not combine multiple POs on one invoice. The following information must be included on the invoice:

- The complete PO number, in its exact format with no changes (Do not combine PO numbers and/or locations on the same invoice).
- Your company or division name, as well as your Party City or Party America vendor number
- Your unique invoice number and invoice date (which must not be prior to the actual date the merchandise was shipped). There must be a unique invoice for each location and PO number.

**Invoice numbers MUST NOT be reused. (See EDI invoice requirements in Section 2, EDI).**

- The terms of the sale for the invoice must be the same terms as provided on the PO.
- Remit-to address
- Ship to address and store number
- The item number along with a detailed item description

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- The unit quantity shipped, unit cost and extended cost for each item
- Shippers PRO bill number, LCC number, or other tracking number to be used in obtaining Proof of Delivery
- Line item details, when totaled, must agree to header record of EDI invoice.
- Off invoice allowances and charges must provided as separate line items and must be coded using Party City approved codes only.
- All invoices must be sent within 24 hours of shipment of goods.

If manual invoices must be sent, all off-invoice allowances and charges not reflected on a Party City PO must be individually identified at summary level. Provide a net total dollar (US Dollars) of all allowances on the last page. Do not include allowances within the line item detail (as per example) This applies to manual invoices only.

EXAMPLE				
Item	Description	Units	Cost	Extended Cost
12345	Party Goods	12	2.95	\$ 35.40
23456	Party Supplies	24	1.15	\$ 27.60
	Merchandise Total			\$ 63.00
	Allowances			\$ (6.30)
	Other Charges			\$ 9.95
	Total Invoice Amount			\$ 66.65

**The invoice number MUST appear on each page of a hard copy multi-page invoice.**

Provide a bill of lading with the invoice, or list the following on the invoice:

- Number of cases shipped
- Carrier Name
- Carrier's PRO/LCC number or BOL #
- Freight terms (FOB Destination, Collect, Vendor Truck, or Customer Pickup)

Send all manual invoices and billing related documents to:

Party City Corporation  
 Attn. Accounts Payable Department  
 Vendor ID# \_\_\_\_\_  
 25 Green Pond Rd Suite 1  
 Rockaway, NJ 07866

Party America invoices:  
 Party America  
 c/ o Party City Corporation  
 Attn. Accounts Payable Department  
 Vendor ID# \_\_\_\_\_  
 25 Green Pond Rd Suite 1  
 Rockaway, NJ 07866

## EDI Invoice Requirements

Party City's vendor partners must be capable of exchanging information via Electronic Data Interchange (EDI) As soon as a vendor is certified, vendor will be required to transmit invoices for corporate stores electronically (EDI 810). 810 Invoices must follow the rules as described above in (1) through (4). Line item details can be found in Section 2, Electronic Data Interchange.

## Invoice Processing Policies

Unless other agreements are made, deductions will be taken from invoices with quantity variances caused by shipment/picking errors, concealed shortages, carton shortages, concealed damages and non-compliance due to inferior packaging by the vendor. In addition, discrepancies in pricing will also create a deduction, if the invoiced cost is higher than the PO cost. These deductions will be identified on the remittance advice. The reference will be the original invoice number followed by "DM".

The invoice due date will be based on receipt of goods and upon the most favorable of the invoice, PO or VPA terms.

Cash discounts and allowances will be calculated based on the gross amount of the invoiced merchandise and based upon the most favorable of the invoice, PO or VPA terms.

Party City and Party America reserve the right to deduct, from vendor payable balances, amounts for allowances, rebates, bill backs, returns, non-compliance charges, post audit claims and other receivables. Where balances cannot be collected timely, Party City and Party America reserve the right to request payment by check on balances due.

## Remittance Advice

The corporate office in Rockaway will issue a single corporate check for multiple invoices for Party City and Party America.

The following information will be provided on the check and remittance advice:

- Party City or Party America Vendor Number
- Vendor and/or Factor name
- Vendor/Factor remittance address
- Check number
- Check date
- Invoice number
- Invoice date
- PO number
- Cash Discount
- Net amount of invoice

Remittance Example:					
<b>PARTY CITY CORPORATION</b>				<b>No. 43125</b>	
Date: 27-OCT-03		Vendor Name: ABC COMPANY		Vendor No. 123	
Invoice Number	Invoice Date	Description	Gross Amt	Discount	Net Amount
DC26336	30-SEP-03	538-99567	180.00	1.80	178.20
DC26338	30-SEP-03	528-88565	150.00	1.20	148.80
DC26338DM	30-SEP-03	518-33943	(120.00)		(120.00)
			210.00	3.00	207.00

## Vendor Inquiries & Correspondence

Vendor inquiries regarding A/P transactions, balances and discrepancies must be directed to the A/P Department at the address referenced above. All correspondence must include your vendor number.

Vendors must state the situation in writing, attach supporting documentation to their written inquiry and send the package to Party City's A/P Department at the address referenced above. Allow 2 to 4 weeks for a response.

Vendors may send inquiries via email to [merchandisepayables@partycity.com](mailto:merchandisepayables@partycity.com).

The Merchandise Payables group phone number is (973) 453 – 8736.

The group fax number is (973) 983 – 4988.

Inquiries will be processed in the order received.

## Party City / Party America Post Audit Policy

Party City and Party America conduct Post Audits of all merchandise transactions. Party City and Party America reserve the right to file claims within 48 months of the event. The company's auditors will submit all claims in writing and allow vendor 30 days to review and respond to the claims before any deduction is taken for those transactions that are more than 12 months old. Claims for transactions less than 12 months old will be deducted as discovered.

## Overages

Party City and Party America, as a matter of policy, do not condone the shipment of overages. Overages sent to Party City or Party America will be processed. The vendor may be charged for the cost of processing the overage, a deduction for the cost of the goods, plus an administration fee as outlined in the Reimbursement and Waiver Policy section (8).

Party City or Party America do not acknowledge any changes, which cause an overage if they are not communicated via a new PO. No handwritten notes, verbal, phone or faxed agreements will be accepted.

Party City or Party America reserve the right to return product at vendor's expense in addition to any expenses incurred for inbound freight, Distribution Center process and or administrative charges if terms are Freight Collect-FOB Destination.

## Statement of Account

All vendors are required to send a complete statement of account of all open items, including all open invoices and credits to the Party City Accounts Payable Supervisor on a monthly basis. If the statement of account shows a Zero balance, still send this statement reflecting this for our records.

The preferred method of receiving the statement is as follows:

1. Email an Excel or text electronic file of statement to [statements@partycity.com](mailto:statements@partycity.com).  
(You do not need to cc anyone)
2. Fax to: 973-983-4988 Attn: Merchandise Payables
3. Mail to 25 Green Pond Rd Suite 1,  
Rockaway NJ 07866  
Attn: Merchandise Payables

## Overview - Amscan

This section outlines important information for invoice requirements and processing policies. Accurate information will ensure timely processing of payments.

### Invoice Requirements

Amscan requires all merchandise vendors to submit paper invoices

After a valid PO is received from Amscan, follow these procedures to ensure your invoices are paid on a timely basis:

Verify the accuracy of all PO details including unit cost, payment terms, minimum order quantities, etc. Do not ship merchandise until all discrepancies on the PO have been corrected and the Inventory Manager provides proof of correction to you in the form of an e-mail notification or a new PO.

*Telephone orders, and verbal commitments will not be considered binding.*

### Domestic Vendors

Domestic Vendors are required to create one invoice per PO, per shipment, per shipping point and per “ship to” point. Invoices are not to be sent prior to shipping.

The following information must be included on the invoice:

- The complete PO number, in its exact format with no changes (Do not combine PO numbers and/or locations on the same invoice).
- Company or division name
- Unique invoice number and invoice date (which must not be prior to the actual date the merchandise was shipped). There must be a unique invoice for each location and PO number.

**The invoice number MUST appear on each page of a hard copy multi-page invoice. Invoice numbers MUST NOT be reused.**

- The terms of the sale for the invoice must be clearly indicated
- Remit-to address
- Ship to address
- Amscan item number along with a detailed item description
- The Master Carton (MC) quantity shipped, MC unit cost and extended cost for each item
- Gross cost summation

Domestic Vendors are required to provide a bill of lading with the invoice, or list the following on the invoice:

- Number of cases shipped
- Carrier Name
- Carrier's PRO/LCC number or BOL #or other tracking number to be used in obtaining proof of delivery
- Freight terms (FOB Destination, Collect, Vendor Truck, or Customer Pickup)

Send all manual invoices and billing related documents to:



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Amscan Inc.
Attn. Accounts Payable Department
80 Grasslands Road
Elmsford, NY 10523

Foreign Vendors

Foreign Vendors can combine PO numbers on one invoice but they must group the PO numbers together with the items. For example, list the first PO number followed by the item numbers, then the 2nd PO number followed by those item numbers, etc. Documents are to be sent at the time of shipment.

EXAMPLE ONLY

Table with 7 columns: ITEM NO., ITEM DESCRIPTION, QTY, MASTER CARTON, TOTAL QUANTITY, M/C PRICE, TOTAL. It lists three P.O. NO.s (110011, 110027, 110038) and their corresponding items, quantities, and costs.

The following information must be included on the invoice:

- The complete PO number, in its exact format with no changes (Do not combine locations on the same invoice).
Company or division name
Unique invoice number and invoice date (which must not be prior to the actual date the merchandise was shipped). There must be a unique invoice for each location.

The invoice number MUST appear on each page of a hard copy multi-page invoice. Invoice numbers MUST NOT be reused.

- The terms of the sale for the invoice must be clearly indicated
Remit-to address
Ship to address
Amscan item number along with a detailed item description
The "Each" quantity shipped, "Each" unit cost and extended cost for each item
The Master Carton (MC) quantity shipped, MC unit cost and extended cost for each item
Gross cost summation

Foreign Vendors must provide quantity shipped and cost information both ways – Eaches for Customs purposes and Master Carton for accounting purposes.

Foreign vendors are required to provide a Bill of Lading with the invoice. The following information must be included on the Bill of Lading:

- Number of cases shipped
- Carrier Name
- Carrier's BOL #

Foreign vendors are required to provide a packing list to accompany the invoice and Bill of Lading. The following information must be included on the Packing List:

- PO number
- Container number
- Item number
- Item description
- Total "each" quantity shipped by item number
- Total Master Carton quantity shipped by item number
- Net weight of each Master Carton by item number
- Cubic measurement of Master Carton by item number

Foreign vendors are required to fax a complete set of shipping documents – Invoice, Bill of Lading and Packing List – to the Import Traffic Manager at the time of shipment. The original set of shipping documents should also be sent to the address below -

Amscan Inc.  
Attn. Import Traffic Manager  
80 Grasslands Road  
Elmsford, NY 10523

### **Invoice Processing Policies**

Deductions will be taken from invoices with quantity variances caused by carton shortages, merchandise cost differences, and/or non-compliance due to improperly labeled or unlabeled product, non-compliant cartons, and/or non-compliant pallets.

#### **Domestic Vendors**

Deductions will be identified on the remittance advice. The reference number will be the original invoice number followed by a CM. A copy of the exception report will be included with the remittance.

Cash discounts will be calculated based on the gross amount of the invoiced merchandise.

#### **Foreign Vendors**

Deductions will be listed on a wire remittance sheet and faxed to the vendor when payment is made. All supporting documentation for deductions will be faxed to the vendor.

### **Remittance Advice**

#### **Domestic Vendors**

Amscan will issue a single corporate check for multiple invoices. The following information will be provided on Amscan's check and remittance advice:

- Amscan Vendor Number
- Vendor name
- Vendor remittance address
- Check number
- Check date
- Reference number (Invoice number)

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- Reference date (Invoice date)
- Gross Amount
- Discount Amount
- Net amount of invoice

### Foreign Vendors

Foreign Vendors are paid by electronic transfer. Amscan will transfer a single amount for multiple invoices paid by wire. The following information will be provided on a wire transfer sheet faxed to the vendor:

- Vendor Invoice
- Invoice amount

Any deductions will also be listed and all supporting documentation will be faxed to the vendor.

### Vendor Inquiries & Correspondence

Vendor inquiries regarding A/P transactions, balances and discrepancies must be directed to the A/P Department at the address below:

Amscan Inc.  
Attn: Accounts Payable Dept.  
80 Grasslands Road  
Elmsford NY 10523