

# Store Operations Manual

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## Reclamation and Lost & Damaged Policy

**Primary Contact: Operations**

**Date of last update: October 2012**

- If a product is determined to be unsaleable for any reason, or there is proof that an item was stolen, the retail value must be accounted for in the inventory prior to disposing of it.
- Non-saleable merchandise is defined as product that is broken, crushed, dented, out of code, under filled, leaking, or has a damaged or missing label.
- Any items damaged from freezer failure, do not qualify as being reclaimable. Items must be scanned out as freezer failure and disposed of at store level.
- The two methods used to account for these products are reclamation and lost & damaged.
- Reclamation and lost & damaged must be processed and recorded per company policy.
- Stores are required to process all items determined unsaleable a minimum of once per week, and on an as needed basis.
- Certified associates will sort and process damaged merchandise in a neat, orderly, and timely manner for credit with the "Reclamation Processing Center".
- Associates **are not permitted** to consume, take home, transfer, or purchase damaged merchandise.
- Product that is not reclaimable, not deemed fit for sale under the clearance coupon dry grocery policy, and not a direct vendor item must be disposed of in the trash. As mentioned above, the retail value of the inventory must be properly accounted for prior to disposal.
- Product that must be disposed of immediately due to packaging condition, contamination, or infestation must be accounted for by writing the items PLU number on a "Lost & Damaged Form".
- Lost and damaged forms must be manually input into the stores transfer system on a weekly basis.
- These items must be neatly placed in either 6-1 gallon janitorial boxes or banana boxes for return to the reclamation center.
- The boxes must be marked inside and out using a "Store Identification Sticker" (order from store supplies) before loading onto a Smart & Final truck.
- If the store has run out of identification stickers, each box must be clearly marked with the store number for proper identification and credit.
- All Reclamation Boxes being sent out of the store "Must" be checked by the District Manager or the District Merchandiser. This is a spot check to ensure no vendor items or unauthorized items are being returned.
- The District Manager or District Merchandiser "Must" sign the reclamation sign off sheet located in the reclamation area.



Reclamation  
Store # \_\_\_\_\_  
Broken Glass  Haz. Mat



Reclamation sign off  
sheet.xls

- Never attempt to return product that is unauthorized for reclamation, no credit will be given. Unauthorized product consists of:
  - Direct store delivery items.

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- Hazardous Waste products ie. Aerosols, chemicals cleaning products, flammables etc.
- Store supply items.
- Seasonal/Holiday merchandise.
- Soiled merchandise that can be washed and cleaned and returned to stock
- Maggot or rodent infested merchandise.
- Items without UPC codes (need to attach S&F code to product or legibly write the UPC code on the product).
- Slow moving items (return to warehouse).
- Beer and wine.
- Dairy, produce, bakery, fresh meat and poultry.
- Out of date product.
- Empty packages, pilfered product.
- Product damaged by improper use of case cutter.
- E&S Products.
- Special Order items.
- Any item that does not display “reclamation yes” on the symbol gun.

## **Standard Operating Procedures:**

1. A predetermined area off the sales floor will be used to place damaged non vendor merchandise waiting for processing.
2. Return only selling units, as items would be scanned by a selling unit and salvage any product that can be sold by the selling unit via clearance rack.
3. Moderately damaged product will be set aside for management clearance coupon approval. Products that do not meet clearance coupon dry grocery policy will be processed as reclamation or lost and damaged.
3. Bagged product must be taped up to prevent further spillage and placed on top of the boxes as the last items on the pallet. A maximum of 2 layers of bags can be stacked on top.
4. All damaged products classified as potential “Hazardous Waste”, must be handled in accordance to the Hazardous Waste Management Program Policy.
5. Indicate on the “Store Identification Sticker” if the boxes contain a potential hazard such as broken glass. Place broken glass in a clear plastic bag prior to placing in return boxes.
6. Do not send deli or frozen unsaleable product to the reclamation center. Cut out the UPC label (originals only) or empty the contents and send packaging.
7. Any product that a store submits for reclamation credit may not be transferred, donated, or otherwise transmitted to any other person or party. It must be destroyed and made unavailable for consumption.
8. When returning labels only, be sure to include the UPC, S&F deli label for random weights and the manufacturing code (can be expiration, Julian, or any other).
9. Ensure that a “Store Identification Sticker” is attached to the outside and inside of each box. Credit will not be received if boxes are not identifiable.
10. Stack boxes with unsaleable product on 48”X40” wood pallets (Do not use CHEP or plastic pallets). Boxes must not be stacked more than three high with layers of bags no more than two high. Shrink-wrap pallets securely.
11. Return merchandise on next available truck returning to the warehouse. Never let processed reclamation sit in the store for more than two deliveries. Contact the District Manager when a driver refuses to accept reclamation for return.
12. Finalize reclamation and lost & damaged on the stores computer. The retail values must be posted on RMIA immediately after processing.
13. Place a copy of the paperwork listing items being sent to reclamation inside one of the boxes.