Kroger EDI Partner,

Welcome! This notification is of great importance to you because your company will now be receiving either 850 or 875 purchase orders for our warehouses.

All payment invoice questions must be directed to our help desk at warehousepayables@kroger.com. Do not call and email for your first contact as this clogs the system with multiple requests.

The EDI method of conducting transactions is one of better business tools available to all companies, not something limited to large industry. EDI is designed to expedite purchasing, invoicing, and payment, for business partners. For large purchasers such as our company, this manner of exchange is a necessity to keep the product and accounting on track, and keep our operating costs competitive. This will be equally true for you.
We have assembled some pertinent topics for your review.

Please note: For transmission of EDI documents other than those listed below, you must contact edi@kroger . com for Kroger, Peyton, Ralphs, Smiths, Dillon, and Fred Meyer Food and edibiz@fredmeyer.com for Fred Meyer non-food.

Testing

Fred Meyer Non Food testing is done with edibiz@fredmeyer.com which is 8 digit PO number.

All testing and setup of EDI to be in production for EDI invoicing must all be done in 60 days from your first PO. If your company is not EDI compliant in the right time you may be subject to our EDI compliancy assessments. Failure to test and complete testing to be in production is not a reason to not be EDI compliant by Kroger EDI business standards.

Kroger doesn't test I-trade invoices and please do not send I-Trade invoices via EDI. When an order goes out I-Trade it stays in I-Trade no EDI invoice is needed.

Invoicing Receiving Requirements

If the purchase order was sent via EDI you must submit your invoice via EDI.

Paper / faxed / emailed invoices that are sent for payment for EDI
Purchase orders will be assessed manual processing a fee of 1% of
the total invoice amount OR $250 (whichever is greater) per
transaction.

1. Data must conform to EDI Standards – All mapping requirements must be followed.

2. Special Business Requirements
      a. Invoice documents must contain the purchase order number sent on the original purchase order transmission

      b. Purchase orders can be split into multiple invoices only if:

1. Each invoice number is unique
2. Each invoice is a separate EDI document
3. All information within each invoice only pertains to that invoice.

c. Vendor must send
1. Purchase order number unique five (5) digit number assigned when the purchase order is cut. (8) digit for Fred Meyer Non Food.
2. Ship-to Dun & Bradstreet number and suffix (a four digit suffix number indicates the specific warehouse location; N1*ST).
3. Ship-to N1*ST must include 01 - 04.
4. Bill-to Dun & Bradstreet number and suffix (a four digit suffix number indicates the purchasing and paying for the product, N1*BT)
5. Bill-to N1*BT must include 01 - 04.
6. UPC case number ordered.
7. Remittance Dun & Bradstreet number (N1*RE) with the VENDOR
NAME to whom WE ARE REMITTING PAYMENT, in the N1 02
8. Description of product (G69 / PID)
9. Terms of Sale for each invoice;
- 880 invoicing with cash discount must have G23 elements 01, 02, 05, 06, 07, 08, 09, 10, 11, and 12.
- 880 invoicing without cash discount must have, G23 elements 01, 02, 08, and 09.
- 810 invoicing with cash discount must have ITD elements 01 thru 010
- 810 invoicing without cash discount must have ITD elements 01, 02, 06, and 07
10. Allowance or Charge description should be in the G73 segment if you send a G72 line, and in the SAC 15 element of the SAC line.
11. G1701 & G1703 / IT102 & IT104 must be positive Units and Cost.
- Please do not send zero quantities, or zero cost on invoices, since they will cause rejection in the accounting auto pay system.
12. Line item totals, minus all allowances and adding charges make up the G3301 or TDS01.
- Out of balance invoices are the #1 reason for invoices being rejected by the auto pay system. "

3. Data Assumptions
a. All invoices received are unique and new.
- If invoice, warehouse, and purchase order number have been received, then the original invoice will be overwritten. "
b. All UPCs within the invoice are unique.
1. If the invoice contains duplicate UPCs then the quantities will be added and the lower cost used to calculate invoice, this can cause your invoice to reject.

4. Internal Cooperation: Please work within your company first before seeking Kroger EDI assistance. Vendor Credit, A/R and EDI departments should work together to have invoices correctly transmitted to avoid late payments.

824 Application Advice Notifications

Krogerissensitivetothecostsassociatedwith EDItransactions,howeverwe are sendingthe 824 ApplicationAdvise forspecificpurposes.

> 1. Messagesfor 879pricechangerejectionsforall theKroger/PeytonDivisions
>
> 2. Messagesfor EDIinvoices³warningandfatalrejectionV´fromtheAccountsPayable system
>
> 3. Messagesfor 889PromotionalAnnouncements,indicatingif thepromotion   was Accepted or Rejected
>
> 4. Error messages for 856 Advance Shipping Notice
>
> 5. Message we have not received a 997 from partners for EDI purchase orders we transmitted.

The mandatory timeframe for a returned 997 is 24-hours.

> 6. Syntax errors in your EDI document sent to Kroger.

We feel the 824 Application Advice transaction is critical for Kroger and you our EDI Trading Partners. It is imperative if you are sending Kroger EDI documents that you monitor and use the 824 Application Advice sent by us. It is your responsibility if any EDI document you send Kroger is rejected within any of the Kroger/Peyton systems, to research, fix, and resend the document correctly to Kroger. EDI invoices should be transmitting to 9254110060 /08, GS 03 5137624388 correctly, and on time, to be accepted by EDI and into the Kroger auto pay system to avoid manual processing. The electronic window for the system to process invoicing will have closed after 90 days, requiring manual intervention. EDI or manual invoices that are accepted after the 90 days of receipt of goods will be assessed manual processing a fee of 1% of the total invoice amount OR $250 (whichever is greater) per transaction.

EDI team does not provide emails or phone calls when your invoices reject in the auto pay system or at EDI level. It is very important to monitor acknowledgement messages transmit to you; so you can correctly resubmit invoices having received FATAL rejection notices; 824 or 997 rejections. It is a misconception that once transmitted, a rejected invoice, or invoice directed to the wrong division, will be processed to payment in spite of the invoice remaining un-corrected. Correction is absolutely necessary for the invoice to be processed by the Kroger auto pay accounts payable system. We cannot correct invoicing for your company. It is your responsibility to re-transmit acceptable, reject free invoices for the correct warehouse division within 90 days of the receipt of goods. Please review both the 997 and 824 messages we return to you. We are not responsible for a vendor's refusal to utilize information we transmit.

For more information on the 824, see   http://edi.kroger.com/programs_ kr_ 005.htm.
At http://edi.kroger . com/programs_kr_ 003. htm , there is an extended list of updated 824 code descriptions posted, in the event you need assistance with code intent.

The KROGER team can assist you with determining how to correctly submit your warehouse EDI invoicing, that is under 90 days from delivery date, if the invoicing receives an 824- fatality rejection and you are unable to make that determination on your own. Please see our contact list on the http://edi.kroger.com/contact_kr__004.htm website to direct you to the right person.

DUNS Numbers

Sending invalid DUNS numbering will prevent the processing system from loading at all and matching your invoice to the division receiver, which is awaiting it. In essence, an invoice will have not come in and payment will not be issued.

An example of this would be submitting invoicing that says you shipped the product to the Shelbyville warehouse, by using Shelbyville's ship to DUNS number, but really the product was delivered to Louisville. This will cause your invoice to be loaded into the accounting system of the wrong division warehouse. The correct division will not be able to pay since it doesn't have an invoice to process.

Therefore, the correct DUNS numbers for where product is being shipped and the division DUNS for the responsible division to be billed is HIGHLY important to the business process. That is why we require the Bill-To Duns number to match to the division responsible for that payment. Please see the website spreadsheet lists for current of ship to and bill to DUNS numbers at http://edi.kroger.com/loc_kr_001. htm under the DUNS + SUFFIX SHIP-TO LOCATIONS for 875/850, and DUNS + SUFFIX BILL-TO WAREHOUSE for 880/810 section.

Once again, EDI or manual invoices that are accepted after the 90 days of ROG will still be assessed manual processing a fee of 1% of the total invoice amount OR $250 (whichever is greater) per transaction. It is your responsibility to submit EDI invoices correctly and on time to be accepted by EDI and the Kroger auto pay system to avoid manual processing.

810 Format Allowances and Charges

Line item service or promotion adjustments by allowance, or, charge for specific product, and use a rate structure applied to the preceding IT1 line. The elements used are the SAC 01, 02 and 08.

The SAC 01 indicates allowance (A) or charge (C).
The SAC 02 specifies the reason in a four-character code for the line level. Choices are:

> **Advertising/marketing allowance: A260, A480, B210, F670**
> **Advertising performance allowance:**
> **B720 Cash Discount allowance: C310**
> **Contract allowance: B660 Damage**
> **allowance: B950**
> **Door-to-Door Trade allowance:**
> **C402 Non-Performance allowance:**
> **A400 No -return allowance: E800**
> **Salvage allowance: C000, G590**
> **Trade allowance: I170**

The SAC 08 element expresses the rate per case, and if an allowance the rate must be expressed with a negative (-) in the element.
………… ……… …………………… ……… ……………
Broad adjustments by allowances or charges to cover the entire order are written at the summary level. The summary level uses a lump sum amount, and the system will subtract or add the lump amount to the net.
The elements used are the SAC 01, 02 and 05.

The SAC 01 indicates allowance (A) or charge (C).
The SAC 02 specifies the reason in a four-character code. Summary level codes are:

> **Advertising/marketing allowance: A260, A480, B210, F670**
> **Cash Discount allowance: C310**

Contract allowance: B660 Door-to-
Door Trade allowance: C402 Non-
Performance allowance: A400 Noreturn
allowance: E800
Pick up allowance: F340
Salvage allowance: C000, G590
Swell allowance: H560, I410
Trade allowance: I170
Freight charge: D240
Pallet charge: F180
Pallet Exchange charge: F170
Palletizing charge: F190

The SAC 05 element expresses a lump sum, and if an allowance, the amount must be expressed with a negative (-) in the element.

880 Format Allowances and Charges

Line item service or promotion adjustments by allowance, or, charge for specific product, use a rate structure applied to the preceding G17 line. The G72 follows the G69 or G20 for line items.

The elements used are the G72 01, 02 and 05.
The G72 01 code specifies the reason for the line item adjustment. Codes are**:**
> **Advertising, marketing allowance: 47, 100**
> **Trade allowance: 51**

The G72 02 indicates if it is off invoice (02) or a charge to be paid by the customer (06). The G72 05 is the rate to be applied to the case quantity in the G17 01, and if an allowance, the rate must be expressed with a negative (-) in the element.
………… ……… …………………… ……… ……..
Broad service or promotion adjustments by allowance, or, charge applied to the entire shipment are invoiced in the header. The G72 follows the last header N4.

The elements used are the G72 01, 02 and 08.
The G72 01 code specifies the reason for the adjustment. Codes are:
> **Fuel allowance: 4**
> **Swell allowance: 95**
> **Salvage allowance: 58**
> **Freight charge: 504**
> **Pallet charge: 6**
> **Palletizing charge: 512**

The G72 02 indicates if it is off invoice (02) or a charge to be paid by the customer (06). The G72 08 is the lump sum applied to the subtotal, and if an allowance, the rate must be expressed with a negative (-) in the element.

Swell allowances

The following information is for vendors that are to include swell allowances on EDI invoices. Note that the allowance must be listed at the specified level of your EDI invoice or our system will double deduct the allowance.

880 (UCS) documents contain the Swell allowance in the header:
G72 01 (Allowance code), 02 (Allowance Method of Handling code) and 08

(Allowance Total Amount-this must be a negative amount)
        -This segment should follow the last N4 segment
        -The swell allowance code for the G72 01 is 95 or 58

810 (X12) documents contain the Swell allowance at the summary level:
SAC 01 (Allowance indicator), 02 (Allowance Charge Code) and 05
(Allowance Amount-this must be a negative amount)
        -This segment should follow the TDS segment
        -The swell allowance code for the SAC 02 is H560 or I410

812 Debit/Credit Memo Notifications

Your company will be provided all invoice deductions and credits done by our auto pay system when an EDI invoice is processed. EDI transmission is our main way of sending this accounting information and we do not provide it by email or a website at this time. If you are doing promotions those billings are also available to be sent EDI 812. Your EDI department will need to develop an internal process to send this information to all accounting parties that need this information within your company.

Vendor Portal

Due to the updates always going on to our vendor portal it maybe more cost effective to retrieve your backup from this area. Please contact vendorportal@kroger.com to be setup to do this. If you no longer need the 812 document please ask us to turn it off. All backup available on Vendor Portal is not available to be printed and mailed to the vendor.   Please sign up for this portal today.