

LCBO Pricing Administration Rebate Process and FAQs

Contents

- Description 2
- Approval 2
- Supplier Chargeback 2
- Rebate Calculation 2
- Rebate Submission Schedule 2
- Types of Rebates 3
 - Regular Rebate 3
 - Current Inventory Rebate 3
 - Rebate submission and an additional Immediate Decrease quote request..... 3
 - Rebate to One PO only..... 3
 - TBS LCBO Combo 3
 - Not Eligible 3
- Pricing Calculators..... 4
- LCBO Reports 4
- FAQ's 4

LCBO Pricing Administration

Rebate Process and FAQs

Description

Rebates are supplier-initiated requests to reduce the current on-shelf retail prices by reducing the supplier quote.

Approval

Rebates are subject to LCBO Category/Product Manager approval with the exception for beer that includes TBS and TBS/LCBO Combo SKUs. Approval may not be required if the supplier is decreasing the quote to achieve the same retail price. This occurs where there is a change in a cost variable such as annual fee rate increases.

Supplier Chargeback

Payment for quote adjustments is due immediately upon invoicing. The LCBO Pricing Administration department will facilitate these chargebacks through the LCBO Accounts Payable department against the supplier account or sent for collections through the LCBO Accounts Receivable department. Chargeback invoices are available through the [LCBO i-Supplier application](#).

Rebate Calculation

The rebate is applicable to current on shelf retail price variables and to only inventory that is on hand in retail store, in LCBO warehouses and not yet received purchase orders (in-transit).

Rebate Submission Schedule

Rebate Submitted	Review and Approval	Implement	Retail Change	Billing
Wednesday of Week A	Thursday of Week A	Friday morning of Week A	Monday of Week C	2 weeks after rebate retail – Week E or later depending on volume of rebates

LCBO Pricing Administration will validate if the rebates achieve the desired retail price on Thursday and will notify the supplier if there is an issue.

LCBO Pricing Administration

Rebate Process and FAQs

Types of Rebates

The quote submission form is used to submit rebate requests. This form can be found at www.doingbusinesswithlcbo.com or click [here](#). When submitting for a rebate, select Rebate as the Quote Submission Type from the drop-down selection.

Regular Rebate

The new supplier quote submitted with the regular rebate request will override the current quote and apply to future orders. The regular rebate chargeback is applied to current inventory and open purchase order (issued not yet received).

To calculate the regular rebate chargeback, the pricing variables used for the current on shelf pricing are used in the calculation.

Current Inventory Rebate

The supplier quote submitted with a current inventory rebate will not apply to future purchase orders (not yet issued). A current inventory rebate is applied to only current inventory and open purchase orders. Suppliers typically submit these types of rebates annually during the Minimum Retail Price (MRP) or Federal Excise Changes.

Rebate submission and an additional Immediate Decrease quote request

For this scenario, two quotes are required:

1. A Quote Submission Form indicating REBATE (current inventory rebate) to bring down the retail right away. This rebate quote calculation would take into consideration the current on shelf pricing variables. This rebate quote will be used for rebate billing only as part of the chargeback to supplier and not applied for future orders.
2. A Quote Submission Form indicating IMMEDIATE DECREASE. This will allow for the issue of any new POs to have the new decreased quote applied immediately and the retail will be reflective as per the Import Price Change process – two periods after PO landing. This quote calculation would take into consideration the current in effect LAFR and apply to future orders.

Rebate to One PO only

This special request is to rebate on the inventory associated with one purchase order. When submitting this type of request, the email subject line needs to include “rebate to one PO”. These submission types do require review and approval from Pricing and the applicable Category team.

TBS LCBO Combo

Either regular or current inventory rebates can be applied to products that are sold in the LCBO and TBS. Rebates on these products can be issued weekly if submitted by end of day Monday.

Not Eligible

LCBO Pricing Administration

Rebate Process and FAQs

Items wishing to rebate surrounding a LTO promotion period will not be accepted, adhering to the Pricing Policy *“The product’s regular price is to be maintained for at least one full Period before and after the LTO Period”*. Example if the product is on LTO P1, the rebate can apply as of P3.

Pricing Calculators

The pricing calculators will assist in determining the desired retail price and the rebate amount. These calculators can be found on www.doingbusinesswithlcbo.com or click [here](#).

LCBO Reports

The LCBO offers information sharing services such as Information Sharing NarrowCast and Sale of Data (SOD). Information Sharing NarrowCast Reporting provides 4 weekly reports centered around Inventory and PO level data including: Purchase Order Summary, Purchase Order Status, Purchase Order Tracker, and Inventory Report. This data can be used to assist with calculating estimated rebate costs, or PO tracking. The SOD program provides SKU, sales, and inventory related data. Ad hoc reporting can also be requested pertaining to pricing related information for a fee based on individual requests.

FAQ’s

- Q. Our supplier is looking to buy down their current inventory of LCBO Product A to achieve a \$15.95 shelf price. What further action is required from my end to make this possible?
 - A. Complete a Quote Submission Form template and select REBATE as the Quote Type Selection. Indicate the LCBO#, Size, Description, Desired Retail and Supplier Quote same as when filling out the form for any other quote submissions. The LCBO Pricing Administration department will check the submission to ensure the retail price will be achieved or reach out for a revision.

- Q. When can the supplier expect to be charged back (invoiced)?
 - A. Supplier invoicing typically takes place 2 weeks after retail price effective date.

- Q. When will we see the price change on shelf?
 - A. Rebates sent to pricing@lcbo.com by the Wednesday of Week A will have a retail price change the Monday of Week C.

- Q. Our supplier wants to do a decrease and rebate at the same time. Is the calculation based on current freight (e.g. \$22.85), or the upcoming rate (e.g. \$19.47)?
 - A. The rebate is for current inventory and uses the freight rate that was used to achieve the current on shelf pricing. The retail price will be in effect within two weeks.

To address any orders issued between now and when the next LAFR takes effect, (any orders issued with the \$22.85 freight), using the drop-down option in the new Quote Submission form IMMEDIATE DECREASE, submit this now and the supplier quote will take effect immediately, ensuring no more orders are issued in the higher quote amount.

For the next LAFR filing, submit based on that new freight, using the drop down LAFR in the Quote Submission form.

LCBO Pricing Administration

Rebate Process and FAQs

In total for this scenario, there are 3 quotes as detailed above: REBATE, IMMEDIATE DECREASE and LAFR

- Q. Can I get a price change sooner than two periods from now?
- A. To reduce the retail sooner, submit a rebate. The supplier must agree to buydown current inventory, and the reduction in retail takes place 2 weeks later as outlined in the schedule. (If the rebate is received by Wednesday of Week A, the retail price is reduced in stores the Monday of Week C).
- The cost of the rebate is based on the current variables; therefore, rebating is determined based on the last received PO variables (quote, freight).
- Q. How is the number of cases for invoicing determined?
- A. The cost of the rebate is based on the inventory on hand, inventory in transit, and on order, the day before the rebate takes effect including the inventory on order and in transit.
- An estimate can be calculated based on the current inventory on hand and in transit and the difference in quote. Example, if there are 100 cases in inventory and the difference in quote is \$1.00 the invoice will be \$100.00. If the agency subscribes to either Information Sharing Narrowcast or SOD services, they can use these tools to determine an estimate for the inventory position on hand/on order.
- Q. Can the rebate chargeback invoice go to the agent?
- A. The rebate chargeback invoice is generated to the supplier so that the balance is deducted from LCBO payments to the supplier. Should the supplier have a direct to pay agent on the account, the invoice is directed to the agent, but the invoice is still issued to the supplier.
- Q. What is the difference between “IMMEDIATE DECREASE “and “REBATE”?
- A. The difference between REBATE & IMMEDIATE INCREASE/DECREASE options are as follows:
1. REBATE option reduces the quote and retail immediately with chargeback to supplier.
 2. IMMEDIATE DECREASE reduces the quote with immediate effect, but the retail price does not change until receipt of new purchase orders. Reduction of quote is not subject to the Quote Change Schedule and can be submitted at any time.
- Q. What is required to rebate if a LAFR change is coming up?
- A. For this scenario, two quotes would be required.
1. A rebate to bring down the retail price asap is required. This would reduce the retail price of current inventory. To do this, submit a Quote Submission Form with REBATE selected from the drop down. This quote will be used for rebate billing only.
 2. A second Quote submission with IMMEDIATE DECREASE selected. The new LAFR freight that is in effect should be used in the calculation. Subsequent orders will be issued with the new quote value.