



GUIDELINES FOR POP REIMBURSEMENT FOR ENVIRONMENTAL HANDLING FEES (EHFs)

PAID ON INVENTORY HELD AT JULY 31, 2009

(July 17, 2009)

EHF Definitions:

- “Pay-on-Purchase (POP)”: Members who elected to have suppliers charge the EHF on the supply of all designated material, and therefore, are not required to provide monthly sales reports or remit to the Program. (“POP”)
- “Remitters”: Members who elected to assume full responsibility for monthly reporting and EHF remittances to the Program on behalf of their suppliers, and therefore, will not be charged the EHF by suppliers. (“Remitter”)

Guidelines for POP reimbursement for fees paid on inventory held at July 31, 2009

As outlined in the notice of May 1, 2009 sent to all members by e-mail EHF's for Phase I products are changing as of August 1, 2009. (See www.eStewardship.ca)

If POP's are holding inventory of obligated product on July 31, 2009 they will have paid the remitter a different rate than what their customer will be charged at the time of sale.

The procedure for recovery by POPs recognizes the existing business relationship between POPs and their suppliers. To ensure that remitters who reimburse POP for the difference between the EHF on unsold inventory and the new EHF can recover these amounts from the Program the following procedures have been put in place:

In order to remove the effect of the rate differential, the POP member will need to apply for the EHF refund on their inventory held on July 31, 2009 to the suppliers of the goods (registered remitters of the programs). The remitter will issue a credit to the POP and claim the credit back from the program.

- 1.) POP members provide a detailed inventory report on related products as of July 31, 2009 to their remitters - POP's must file their inventory numbers with remitters **by August 21, 2009**.
- 2.) Remitters will issue the POP members a credit based on the inventory report.
- 3.) Remitters must include the credits claimed by the POPs on their August 2009 report .

Notes:

- The August 2009 report, due September 30, 2009, will have the new rates and a separate form for credits.
- Remitters are assumed to file monthly. If remitters with POP's are quarterly please contact helpdesk.
- Both remitters and POP's may be audited by the associated program as part of the on-going compliance audit approach.