

ADJUSTMENT POLICY FOR STEWARD REPORTS

POLICY HIGHLIGHTS:

- Stewards can request adjustments to reports going back a maximum of two years.

Policies and procedures are developed to promote fairness for all stewards and to enable Automotive Materials Stewardship to operate in a cost effective manner.

Background

- Stewards have an obligation to report accurately and on time. This ensures that program costs are fairly shared among stewards.
- On occasion, adjustments to quantities reported by stewards may be requested. These adjustments can impact the total quantities of supplied AMS materials (i.e., steward-reported quantities) which in turn impacts fee setting for subsequent periods. For example, where an adjustment results in a credit, these funds must be recouped in subsequent periods and will be added to the program's budget on which the fees are based.
- This Adjustment Policy may be amended by AMS from time to time, in its sole discretion.
- AMS may accept or reject adjustment requests. The following is meant to provide guidance to stewards. However, AMS reserves the right to exercise its discretion in applying this policy.
- This adjustment policy helps to stabilize fees by capping the allowable retroactive adjustment period to two years while still providing stewards with sufficient time to identify possible issues in their reports and submit completed adjustment request packages.
- The policy also aligns with common commercial practices to restrict retroactive adjustments to a reasonable timeframe.

Overview of Policy

This policy applies to Automotive Materials Stewardship and answers the following questions:

1. What is the time limit for requesting an adjustment?
2. What types of adjustments are allowed?
3. What types of adjustments are not allowed?
4. How do stewards request an adjustment?
5. How long does it take to process an adjustment?
6. When will stewards receive credit or debit notifications?
7. What is the third party review?
8. How can stewards reach us if they have questions?

1. What is the time limit for requesting an adjustment?

- Stewards can request adjustments to their reports for *a period of up to two years (eight quarters) from the associated report submission deadline* (regardless of the date the steward submitted its report).
- For example, a steward may request an adjustment through April 30, 2019 to the volumes included in their 2017 Q2 Report (Q1 Data), which is due April 30, 2017.
- Stewards must submit a completed adjustment request package to AMS by the deadline in order to enable the subsequent review, processing, and/or approval of the adjustment request.

Report Data	2017 Q2 Report (Q1 Data)	2017 Q3 Report (Q2 Data)	2017 Q4 Report (Q3 Data)	2018 Q1 Report (Q4 Data)
Deadline for Adjustment Request	30-Apr-19	31-Jul-19	31-Oct-19	30-Jan-20

HELPFUL TIP:

- A submission detail report (SDR) is available to stewards on the [WeRecycle Reporting Portal](#) immediately upon submission of your steward report.
- We encourage you to review your SDRs as soon as possible after submitting reports to check for accuracy.
- If errors are not identified in the SDR, please review your AMS invoices for evidence of any errors (e.g., your invoice is higher or lower than expected).

2. What types of adjustments may be allowed?

Stewards may submit an adjustment request in respect of the following:

- Incorrect formula in excel spreadsheet or similar tool;
- Incorrect logic in excel spreadsheet or similar tool;
- Material classification error;
- Material weight/volume input error (e.g., entered 1 instead of 10);
- Data entered in the wrong units (e.g., in gallons instead of litres);
- Exclusion of materials in error;
- Inclusion of material that is not obligated or for which another steward is obligated;
- Quantities were incorrectly calculated;

3. What types of adjustments are not accepted?

Adjustment requests that are not permitted include, but are not limited to:

- **Reporting methodology changes** such as:
 - Changing from the use of calculators and/or worksheets to the reporting of “actuals” and vice versa.
- **“Adjustments on adjustments”** - We cannot accept requests for changes to a report for which a previous adjustment was submitted, reviewed and either rejected or accepted:
 - Stewards can submit one adjustment request that addresses all affected materials per report.
- **Changes to your business model** such as divestments, mergers or acquisitions¹:
 - If you acquire or divest part of your business in a given calendar year, you will include the impact of those changes during the next reporting cycle and such changes will not require adjustments to prior period reports.
- **Adjustments for which inadequate substantiation is provided** by the steward
 - Stewards may be required to undergo a third party review in order to have their adjustment requests validated and processed – please see 7 below.

4. How do stewards request an adjustment?

- Only Stewards who are in compliance with the AMS Program (a term which includes the Stewardship Ontario MHSW Program) shall be permitted to submit an adjustment request.
- Without limiting the requirement to be fully compliant, a Steward requesting an adjustment must be up-to-date in its payment of all outstanding invoices, including the invoice for which it seeks an adjustment.

¹ A steward's exit from the market is treated differently from a change in the steward's structure arising from new product offerings, new lines of business, spin offs of part of the business, etc.

- See Appendix A “Steps to Complete an Adjustment Request” for step-by-step guidance on submitting an adjustment request.
- Please email adjustment requests to adjustments@autostewardship.ca and include a complete adjustment package, including a signed Adjustment Request Form, revised volumes by material, and explanations for the revisions. Adjustment request packages must include documentation to support the request [“substantiation”].²
- If there are multiple errors in a single steward report, stewards must include all relevant information for all errors for which they seek an adjustment, as only one adjustment request will be allowed per steward report.
- If an incomplete package is submitted or additional substantiation is required by AMS, stewards will be notified and are required to provide the additional documentation within one month of notification in order to avoid closure of the adjustment request.

5. How long does an adjustment take to process?

We will conduct an initial assessment and notify you within two weeks of receipt of your adjustment request whether the submitted package is complete and eligible for further review. The amount of time it takes to process an adjustment is a function of its complexity, the completeness of the documentation provided by the steward to support it, and the number of adjustments in the queue already. Some adjustments may require third party review; these are usually large and/or complex adjustments. Adjustments can take from weeks to months to process.

6. When will stewards receive credit or debit notifications?

In the event that AMS approves some or all of the adjustment request, credits and debits will be due immediately after AMS’ decision is conveyed to the Steward. In the event of a significant credit, AMS reserves the right, in its sole discretion, to amortize the amount in order to lessen its impact on the affected material and its respective steward community.

7. What is a third party review?

AMS reserves the right, in its sole discretion, to initiate a third party review of an adjustment request under certain circumstances (e.g., the adjustment is large or cannot be sufficiently validated for accuracy and completeness via a desktop review). Key aspects of third party reviews are:

- AMS will make every effort to collaborate effectively with the steward with respect to the review process and timing.
- The scope and cost of the review will be outlined in a contract between AMS and the steward to be acceptable to both parties.

² Supporting documentation (SKU level data) and narratives to explain the errors being corrected should be as clear and comprehensive as possible. The steward must be able to provide AMS with an audit trail that, if followed, would confirm the legitimacy of the adjustment request.

- The professional services firm engaged to execute the review will be required to ensure its independence with respect to the performance of the process and controls assessment and validation work.
- The steward is required to pay for the review.

8. How can you reach us if you have questions?

If you have any questions about the adjustment process, please call us at: 1 (888) 575-4870 or email your inquiry to info@autostewardship.ca.

Policy Revisions

AMS reserves the right to revise the Adjustment Policy at any time, in its sole discretion. Stewards are bound by the terms of the Adjustment Policy in place and posted on the AMS website at the time that the Steward files a complete adjustment request.

Appendix A – Steps to Complete an Adjustment Request

Please follow all the steps below to complete your adjustment request:

1. Confirm your request meets the criteria for allowed adjustments.
2. Confirm your request will be made within the two-year time frame.
3. Download and complete the '*Adjustment Request Form*', and ensure you include your previously reported material volumes ***AND*** revised material volumes.
4. Explain the errors that led to the request and provide support for them (SKU level sales data, internal audit reports, weight/volume data from suppliers, internal testing to validate weights/volumes, etc. – the documentation should provide an audit trail sufficient to allow for verification of the request).
5. Email your completed Adjustment Package (*Adjustment Request Form* and *Supporting Documentation*) to info@autostewardship.ca. Please include your steward number, name and write "Adjustment Request" in the subject line of the email.
6. AMS will review your adjustment request package for completeness (including eligibility of adjustments and sufficiency of supporting documentation) and contact you to communicate the results of its review.
7. If additional documentation or clarification is required to support a steward's adjustment request, the steward will have one month from the notification date to submit the additional documentation or to provide the clarification requested.
8. If the additional documentation requested by AMS to support the adjustment is not supplied by the steward within the one month time frame, AMS will assume the steward is not pursuing the adjustment and the request will be closed without AMS rendering a decision.

Should a steward wish to re-open the request (with the complete package of documentation and all clarifications provided), they must do so on or before the two-year deadline from the date on which the Steward report was due.