

ADJUSTMENT POLICY FOR STEWARD REPORTS FOR PRINTED PAPER AND PACKAGING PROGRAMS

POLICY HIGHLIGHTS:

- Stewards can request adjustments to reports going back a maximum of two years
- Adjustments made as a result of a methodology change are not accepted

Policies and procedures are developed to promote fairness for all stewards and to enable the stewardship programs 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 are required. These adjustments can impact the total quantities of supplied tonnes (i.e., steward-reported tonnes) which in turn impacts fee setting for the subsequent year. For example, where an adjustment results in a credit, these funds must be recouped in the subsequent year and will be added to the program's budget on which the fees are based.
- 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 the following programs supported by CSSA; Stewardship Ontario; Multi-Material British Columbia; Multi-Material Stewardship Manitoba; and Multi-Material Stewardship Western 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 to reach us if you 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 from the associated report submission deadline* (regardless of the date the steward submitted its report).
- For example, a steward may request an adjustment through May 31, 2017 to the quantities included in their 2015 PPP report which was due May 31, 2015.
- Stewards must submit a completed adjustment request package to CSSA by the deadline in order to enable the review of the adjustments, and the processing of any adjustments that are approved, by CSSA staff

Report	2014 Report (2013 Data)	2015 Report (2014 Data)	2016 Report (2015 Data)	2017 Report (2016 Data)
Deadline for Adjustment Request	May 31, 2016	May 31, 2017	May 31, 2018	May 31, 2019

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 first annual invoice (received in January for MMBC and MMSW and in April for MMSM and SO) for evidence of any errors (e.g. your invoice is significantly higher or lower than expected).

2. What types of adjustments are allowed?

Adjustment requests that will be considered include, but are not limited to, the following:

- Incorrect formula in excel spreadsheet or similar “tool”;
- Incorrect logic in excel spreadsheet or similar “tool”;
- Material classification error;
- Material weight input error (e.g., entered 1 instead of 10);
- Data entered in the wrong units (e.g., in grams instead of kilograms);
- Exclusion of materials in error;
- Inclusion of material that is not obligated or for which another steward is obligated;
- Quantities were incorrectly calculated;
- Correction of data used to prepare a proxy report (e.g., a report created by CSSA when stewards fail to report).

3. What types of adjustments are not accepted?

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

- **Reporting methodology changes** such as:
 - Changing from the use of calculators to the reporting of “actuals”
 - Subsequent application of studies that revise reported quantities¹ of:
 - IC&I sales where the packaging associated with those sales is handled by a commercial waste management service
 - The quantities of material that remain in a commercial establishment (and will thus be processed by a commercial waste management service) rather than leave the commercial establishment with a residential consumer.
 - The quantities of packaging that a business customer/distributor will make available to commercial establishments for their consumption vs. the quantities that will be made available to residential consumers
 - Quantities of packaging disposed through public space channels.
 - Revisions to Average Bill of Material groupings (ABOMs)
 - Creation of ABOMs, when one was not originally used to develop the report.
- **“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; a request by a steward to adjust a report that has been adjusted once already may be considered under circumstances determined to

¹ We appreciate your efforts to improve the accuracy of your report, and such studies may be applied to future reports if reasonable, well-designed, executed and documented.

be exceptional and if approved may result in administrative fees being charged to the steward.

- **Changes to your business model** such as divestments, mergers or acquisitions²:
 - 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?

- 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@cssalliance.ca and include a complete adjustments package, including a signed *Adjustment Request Form*, revised quantities by material, and explanations for the revisions. Packages must include documentation to support the request [“substantiation”].³
- If there are multiple errors in a single report, stewards must include all relevant information for all errors as only one adjustment request will be allowed per report unless there are exceptional circumstances as noted in section 3 above.
- If an incomplete package is submitted or additional substantiation is required by CSSA, stewards will be notified and required to provide the additional documentation within one month of notification in order to avoid a resubmission of the adjustment request form.

5. How long does an adjustment take to process?

We will complete an initial review and notify you within two weeks of receipt of your adjustment request on whether it is accepted. 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, the number of adjustments in the queue already, and the time of year it is received (i.e., the availability of staff). Some adjustments may require third party review; these are usually large and/or complex adjustments. Adjustments can take from weeks to months to process.

² 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.

³ 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 CSSA with an audit trail that, if followed, would confirm the legitimacy of the adjustment request.

6. When will stewards receive credit or debit notifications?

Credits as a result of an adjustment will be due in a future year.

Debits will be due within 30 days of issue date.

7. What is a third party review?

CSSA reserves the right 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:

- CSSA 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 CSSA and the steward to be acceptable to both parties.
- 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 and related administrative fees.

A member of our National Steward Services team will be happy to speak with you if you have any questions about the adjustment process. Please call us at: 1 (888) 980-9549 or email your inquiry to adjustments@cssalliance.ca.

Policy Revisions

This policy is subject to review and revisions and stewards will be notified of changes made to it.

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 quantities ***AND*** revised material quantities.
4. Explain the errors that led to the request and provide support for them (SKU level sales data, internal audit reports, weight data from suppliers, internal testing to validate weights, 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 adjustments@cssalliance.ca. Please include your steward number, name and write "Adjustment Request" in the subject line of the email.
6. CSSA 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 CSSA to support the adjustment is not supplied by the steward within the one month time frame, CSSA will assume the steward is not pursuing the adjustment and the request will be closed.

Should a steward wish to re-open the request (with the complete package of documentation and all clarifications provided), they must do so by the relevant adjustment deadline.