
**PRECISE PALLET
MANAGEMENT**

**PALLET JARGON
GLOSSARY**



ACCOUNT NUMBER

Each hirer must have a CHEP or Loscam account to hire equipment. This comes with an account number used for the tracking, invoicing and transferring pallets.

CHEP accounts are **10** digits and usually start with **4000** or **1610**. Loscam account numbers are **6** digits. An account number is required for both the sender and the receiver so the transfer of equipment can be processed.

It is important to note some companies have multiple sites with differing account numbers, the correct account number must be used for the transfer to be accepted by the receiver.

ACCOUNT POSITION

The status of your pallet account. A surplus indicates excess pallets, while a deficit reports a loss of pallets. This is useful when trying to find gaps in processes or supply chain and finding ways to improve your account and reduce your costs. This can also be referred to as your **variance** and is the difference between your on hire balance and your physical holding.

ACCOUNT SERVICE FEE

Loscam apply a monthly account service fee for the administration costs. This is applied once a month and is listed on the last page of your invoice. It is important to factor all invoice costs.

ADJUSTED BALANCE

This is the hire balance updated with the effects of unprocessed outstanding transfers as well as delay day transfers. This calculates your closing balance including any EDO's in place. This provides an insight into the closing balance with all factors considered.

AUTHORITY ON A TRANSFER

Suppliers will only accept requests to make corrections or cancellations on a transfer if written authority is provided. Authority is held by either the sender or the receiver depending on the situation. The sender has authority for existing transfers that require correction or rejection if they are past the notification period. The receiver has authority for new transfers that need to be created past the processing period. If the transfer has already had a change processed, written confirmation from the sending trading partner to send to CHEP or Loscam is required as authority to process the changes. This is proof that both trading partners agree on the discrepancy.

CLOSING BALANCE

This is the pallet count charged at the end of the invoice once all transfers have been accounted for. This number shows the total number of pallets you continue to pay for onto the next invoice.

COMPENSATION

When a hired pallet cannot be returned to the supplier due to loss or irreparable damage an amount is paid to the supplier to cover the cost of replacing the equipment. Once compensated the supplier will deem the pallet as returned and the ongoing hire charges will cease. Compensating pallets reduces ongoing invoice costs paying for unrecoverable pallets.

COPY REQUEST

When a receiver requires proof of a transfer, paperwork can be requested from the sending trading partner. There are time frames required for this to be provided to the requester before the transfer is rejected. Copy requests avoid unnecessary rejections due to not being able to cross-reference and confirm transfers.

CORRECTION

A correction refers to any change created on a transfer. A correction can be made to the delivery/movement/effective date, the equipment type, the quantity, the receiver, or sender accounts. The receiver can make the first correction without authority within the supplier approved time frame.

CURRENT DATE

When a transfer is disputed or unprocessed the receiver can accept the transfer as per the date authority is provided to CHEP or Loscam. This causes additional hire days for the sender and increases hire costs.

DATE OF CLAIM

If a transfer requires correction but is out of the supplier processing time frame it can be reinstated dated when proof of delivery was sent to the receiver. This incurs extra hire days up until the date the change was requested in writing to the correct trading partner.

DEHIRE

A dehire refers to returning empty pallets back to the CHEP or Loscam, this will be accompanied by a dehire docket. A dehire is either booked with the supplier to collect or the hirer can return the pallets to a supplier site. Dehiring unused, empty pallets reduces ongoing hire costs and saves space.

DELIVERY DATE

The date the pallets were dispatched from the sender. This date is used to track the delivery and does not have any of effective days applied.

DISCREPANCY

A difference between your recorded details and the details processed from a trading partner. This requires confirmation to either action a correction to match your records or accepting the differing details processed. Reconciling your invoices to resolve all discrepancies ensures accurate pallet tracking and costs.

DOCKET

A docket is a piece of paper that accompanies the pallets. This has a record of the date, quantity, sender, receiver, and other information required to process the transfer. Generally, the sender creates the docket, the receiver signs it and both keep a copy as proof of delivery.

EDO

Equipment Days Offset. The set number of delay days automatically calculated by the system. These effect CHEP invoice costs only.

EFFECTIVE DATE CORRECTION

When a receiver reconciles their invoice and the effective date is not per their terms they will place an effective date correction on the movement. This does not reject the pallets back to the sender but amends the movement to include the correct effective date. This can also include corrections out of the time frame to reinstate the transfer as per the date of claim or current date. This calculates the hire days you are charged.

EFFECTIVE DATE

This date applies any EDO or delay days to the movement date. For example, if the receiver has a 30 day delay it would be 30 days from the delivery date. The sender continues paying the hire fees until the effective date applied.

EQUIPMENT CODE

This refers to the numbers associated with the pallet type. Wooden CHEP pallets are the equipment type and the code is 10001, this continues for all pallet types. These are specified on the invoices as each code has a different hire rate. It is important to look out for codes invoiced to ensure any unaccepted equipment types are not charged.

EQUIPMENT TYPE

The equipment type refers to the category and supplier of the pallet used. This can be CHEP, Loscam, Plain and further broken down to wooden, plastic, bins, etc. Different equipment types have different hire rates effecting your invoice costs.

ERROR RATE

The number of errors on transfers. This could be through data entry error from inhouse or from the sender. It is important to track your error rate to improve accuracy moving forward.

ESCROW / ADMIN FEES

This relates to negative hire days on an invoice, usually due to delay days calculated. For CHEP, Escrow will be added in the number of hire days.

For Loscam, it is referred to as an Admin Fee and charged in the dollar amount.

This does not directly increase your invoice costs; however, it does have a future financial impact.

EXCEPTION RATE

The number of unexpected or mismatched transfers on an invoice over a period of time. Tracking how many transfers did not match your records or were unknown in each invoice. A high exception rate shows a possible gap in processes. This means transfers are not being tracked accurately.

EXCEPTION

A transfer you have no record of, or that does not match your records. During invoice reconciliation unknown or mismatched transfers are copy requested, confirmed and accepted or corrected. Ensuring all transfers are correct and confirmed reduces your risk of paying for pallets not on hire.

EXCHANGE

If a receiver does not have a pallet account, they can exchange pallets on delivery, this means that the pallet used for the load is either given back or replaced with the same pallet type and quantity. No transfer is processed as the pallet is neither transferred on or off either account, there is no invoice charge and the financial liability stays with the sending trading partner. This still requires a docket marked as an exchange to track the pallets were exchanged.

EXPORT

When using a third party software, the transfer data needs to be sent to the supplier to process. This is done by exporting the data to be sent to the supplier. Without sending the data to CHEP and Loscam the transfers will not process off the sending account.

FLOW THROUGH RATIO

A comparison of inbound versus outbound pallets over a period of time. A flow through greater than one shows the account is transferring more pallets off the account than on, less than one means more pallets were transferred off than on.

FUTILE

A load that was cancelled or not picked up, generally at no fault of the transport company. This should not be transferred on to the receiving account as it has not been accepted. This remains charged on the senders account and also requires additional costs to redeliver.

HIRE BALANCE

This balance reports the quantity of pallets currently being charged hire fees. This is not necessarily the number of physical pallets at the site but is the quantity of pallets currently being charged to the account. This is impacted by lost pallets and delay days and contributes to invoice costs.

HIRE COSTS

Calculated from the hire days multiplied by the hire rate and causes your invoice charges.

HIRE DAYS

This is the number of days the pallet stays on your account. This is calculated from the time of pallet pick up until the pallets are transferred off the account, this is impacted by delay days. The hire days are charged to the account to create hire charges.

HIRE RATE

The daily cost per pallet, this changes for different equipment types and suppliers, and can vary from one account to another. The hire rate is used with the hire days to calculate the invoice charges. This contributes to ongoing invoice costs.

HIRED PALLETS

Pallets are lent from suppliers to a company with a pallet account. The pallets are transferred onto the hirers account until they are returned to the supplier or transferred to another pallet account. The pallets always remain the property of the supplier.

INVOICE COSTS

Every transaction on and off your account for the invoice period. This lists the delays for each transfer and the value that we owe to the supplier.

IOU

An IOU tracks how many pallets is owed by the receiver. It is created when the exchange site does not have pallets on hand to give back to the sender. When an exchange receiver does not return a pallet back to the sender, they are required to continue paying for a pallet they do not have.

ISSUE

Refers to hiring empty pallets directly from the supplier onto the hirer's pallets account. This is tracked through an Issue docket. This provides the account with the empty pallets for hire and begins your hire charges.

LATE PAYMENT FEE

If a supplier invoice is not paid by the due date specified the next invoice will incur an added late payment fee from the supplier. This is an added charge to the invoice.

LOST PALLET

A pallet that is no longer in possession, no trading partner can confirm was received and accept transfer and has not been returned to the supplier. An account holder continues to pay pallet hire for equipment they can no longer use in the supply chain or return to the supplier. When a pallet is lost it does not waive the hires responsibilities and does not stop the daily hire rate.

MISSING DOCKET (MD)

When a load is received without a transfer docket. Some trading partners provide paperwork advising that a transfer docket has not been presented.

MOVEMENT DATE

The date the pallets were received. This is when the receiver physically receives the pallets, this does not have any of the effective days applied.

NON HIRE MOVEMENT

Pallet Watch often refers to movements slightly different to 2ic, MyCHEP or Loscam Online. Non-Hire Movement replaces exchange, this means pallets were traded one for one at delivery.

PALLET ACCOUNT

A pallet account is a requirement when hiring pallets, this is where the pallets are transferred when a delivery is made. The pallets then stay on that account until they are transferred to the next account in the supply chain or dehiere to the supplier. Without a pallet account it is not possible to access pooled equipment for your site, and all deliveries must be exchanged.

PALLET MANAGEMENT SOFTWARE

There are different pallet tracking systems available. Free services are offered with pallet pooling suppliers MyCHEP and Loscam Online. There are also paid services most commonly used are Pallet Watch and 2ic.

POD / POA

Proof of Delivery or Purchase Order Acknowledgement Both refer to the paper used to confirm delivery details. This includes details on the sender, receiver, date and product information. A receiver signed POD or POA is used as evidence that the items listed have been received and to confirm pallet details are correct.

POOLED PALLETS

Another term used when referring to Hired Pallets. Renting pallets from a supplier. They are always owned by the supplier and are paid for daily use.

PROCESSED

A processed transfer has been received by the supplier. Processed transfers require a correction movement to amend any discrepancies. Without processing your transfer the pallets will remain on the senders account.

PROCESSING/CORRECTION DATES

When your transfer data is sent to CHEP and Loscam it is processed as per your agreed invoice schedule. Depending on trading partners invoice schedules transfers on can take time to appear on your invoice and can affect the balance of your invoice costs.

PTA (PALLET TRANSFER AUTHORITY)

A transfer docket generated by the receiving site to confirm the receipt of a load. Certain trading partners only accept PTA dockets, these are required for the transfer to be processed off the senders account.

PURCHASE ORDER NUMBER

This is another identifying number that can be found on the delivery paperwork. This is the order number the receiver ordered the stock on. This aids with cross-referencing and confirmation of transfers with trading partners.

RECEIVER DECLARE

Several trading partners are receiver declare; this means only they can process transfers on to their account. This replaces the sender advising the supplier of the pallet transfers to be processed. The receiver must notify CHEP or Loscam of all transfers on to their account. This means if a transfer has not processed promptly the sender is required to contact the receiver to request the transfer be processed to ensure hire fees are not charged.

RECEIVER

This is where the pallets are delivered to. The receiving trading partner accepted the pallets on to their account. Without an active pallet account or correct account details the transfer will not process off the sending account.

RECONCILIATION

The process of verifying all transfers on and off the account and addressing the exceptions. Comparing the recorded data with that processed on and invoice by the supplier. Ensuring all the processed data on and off the account is essential to reducing invoice costs and avoiding lost pallets.

REDEEM

When an owed pallet is picked up or someone collects an owed pallet, the IOU exchange movement is marked as redeemed. The transaction line in the pallet tracking system is marked as redeemed so the owing pallets are reduced to 0 per line. This is important for tracking is pallets remain owed or owing to senders.

REFERENCE

Refers to the dispatch, job or receipt numbers associated with the delivery of loads. Usually the sender, carrier and receiver will each have a reference issued for the job. This helps match the pallet transfer with its delivery. It is best practice to make note of each sites reference requirements and ensure warehouse staff and drivers are noting the requires reference in the reference field on the pallet docket to avoid rejection.

REINSTATEMENT

A reinstatement is accepting a previously rejected docket onto the receiving account. This needs written authority from the receiver sent to the supplier and often requires proof of delivery. Without a reinstatement the rejected pallets remain on the senders account accruing daily hire fees.

REJECTIONS

When a receiver believes there is a discrepancy with the details provided, they cannot confirm the transfer or they have not received the pallets, they can reject the transfer back onto the senders account. This means they do not accept the pallet transfer onto their account. Without confirming transfers were received or accepting all transfers on the receiving account is at risk of paying for pallets not received.

REVERSAL

When the transfer has been accepted, but there has been information incorrectly processed. This shows the incorrect information being sent back to the sending trading partner and followed by a correction. This does not mean the transfer has been rejected and is only showing the transfer prior to the correction.

RUN SHEET

A time sheet where the driver records all their deliveries including pickup and delivery site, location and time. It also keeps record of pallet movements, including de hires and the number of pallets still on the truck at the end of the day. The runsheet should contain pallet dockets that exactly match what was recorded.

SAME DAY / DELAYED TRANSFERS (EDO)

When pallets are transferred from one account to the other there may be terms in place that the hire charges are either transferred same day or for a set number of days. The transfer is processed but the hire costs are only charged as per the effective date, not the movement or delivery date. These rules need to be abided by for the pallet transfer to be accepted and processed off the senders account.

SENDER

This is where the pallet starts. The sending trading partner delivers the pallets to the next link in the supply chain. It is important to note the sender details correctly.

SKID / PLAIN PALLET

This refers to a non-hired equipment pallet, this does not require tracking and is not under hire. Some companies do not solely use hired equipment and some loads can include plain pallets, these are not to be included in the pallet count on the docket. These are not quality regulated or recycled.

STOCK TAKE

A physical count for each of the different equipment types at the end of the suppliers' month. This is used with transactions to calculate the variance. Ensuring an accurate stock take count is conducted each month means the accounts position is accurately reported.

SUPPLIER

CHEP or Loscam, the supplier that provides the hired equipment. Suppliers always own the equipment; it is lent to hirers on a temporary basis. Quality is regulated and repairs are offered to ensure longevity of the pallets.

SUSPENDED PALLETS

Are put onto the account when there is a negative balance, as there cannot technically be negative pallets. The supplier will apply the pallet quantities to bring the hire balance to exactly zero. This does not directly increase your invoice costs; however, it does have a future financial impact.

TERMS / RULES

Trading partners all have their own policies listing their rules in place for pallet transfers. This is usually supplied to all vendors and carriers stating the specific conditions for their sites. It is vital to be aware of other accounts terms, each site will have different rules you must abide by for transfers to that account to be accepted.

TRADING PARTNER

A trading partner is a receiver, sender, carrier or vendor with a CHEP or Loscam account. This is often their business name, one trading partner can have several supplier accounts. It is important to take note of the trading partner in the transfer to ensure all trading partner terms are adhered to, this avoids rejections.

TRANSFER OFF

This refers to sending pallets. The transfer off is the sending account processing the pallets off their account to the receivers account and invoiced by the supplier. This ceases the charges to your account for the pallet.

TRANSFER ON

Relates to receiving pallets. The transfer on is processing the pallets onto the receiving account and invoiced by the supplier. This begins the charges to your account for the pallet.

TRANSFER TO CARRIER POLICY

Trading partners can have a transfer to carrier policy, this is often deemed the ideal policy. This requires the pallets to be transferred from the sender, to the carrier, who then transfer to the end receiver. This limits the risk of discrepancies with pallet details transferred and requires the carrier to be responsible for the pallets in their possession.

TRANSFER TO RECEIVER POLICY

This requires the sender to transfer the pallets direct to the end receiver. Leaving out the carrier from the supply chain and pallets to be transferred direct from sender to receiver. This means the carrier has no responsibility over the pallets with the load, it is imperative to ensure and track the details are correct to make sure it matches what the receiver processes.

UNPROCESSED

An unprocessed transfer has not been received by CHEP or Loscam and has not been charged to an account. Changes can be made to unprocessed/un-exported transfers without needing a correction movement. An unprocessed transfer has not been charged to an account.

VARIANCE

The difference between the equipment in hand and what the suppliers are charging. This is calculated over a period of time through comparing stocktake balances to supplier closing balances. If there is a significant difference between reported stocktake counts and the amount charged this implies lost or untracked pallets.
