



July 2020

**Notice of Returned Material Authorization (RMA) Requirements and Supplier Corrective Action Request (SCAR)**

Periodically we remind valued Supplier partners of Digital Systems Engineering's Returned Material Authorization (RMA) policy for Defective Product and/or Damaged Product. Below we have also included a section on our Supplier Corrective Action Request (SCAR) Policy as this might be associated with RMAs. In restating policies, we have an opportunity to strengthen our unique business partnership.

**Defective Product.** Defective Product shall be defined as goods received Defective on Arrival (DOA) or may have become defective while under warranty. DSE will request a Returned Material Authorization (RMA) reference number from our Suppliers to arrange return of Defective Products. DSE may request Defective Product be repaired or replaced, or request credit for said product.

**DSE Policy on a Supplier-Issued RMA**

- Respond to RMA request within five (5) business days
- Upon receipt of RMA number (or similar ID), DSE issues an RMA Purchase Order (P/O)
- Supplier's RMA number is used for return package identification
- Within 30 calendar days, Supplier acknowledges and completes action to repair or replace Defective Product, and
- Supplier's Invoice and/or Packing Slip shall reference DSE's RMA P/O
  - If DSE's RMA P/O is not referenced, product may be considered delinquent at end of 30 calendar days; DSE reserves the right to issue credit against the outstanding invoice of Defective Product without further notice.

**Supplier Failure to Respond.** If Supplier fails to respond to an RMA request within five (5) business days, DSE reserves the right to issue credit against the outstanding invoice of Defective Product without further notice.

**RMA Product Returned to DSE.** RMA Product or replaced goods is expected within 30 calendar days. If Supplier-returned product fails:

- Supplier shall be notified via e-mail of new Defective RMA Product, and
- DSE reserves the right to issue credit against an outstanding invoice at end of original 30 calendar days.

**RMA Product Not Returned to DSE.** RMA Product not returned to DSE within 30 calendar days as replaced goods or in working order:

- DSE reserves the right to issue credit against an outstanding invoice without further notice.

**Freight.** Suppliers may be asked to cover freight charges. Supplier may select to share shipper account, submit freight-paid labels, or issue freight credit against an outstanding invoice.

**DSE-Caused Damaged Product.** Policy for returning DSE-Caused Damaged Product is identical to RMA policy for Defective Product, with following exceptions: Supplier has 60 calendar days to repair and return Damaged Product. DSE absorbs freight charges.

Product returned to DSE within 60 calendar days and fails inspection:

- Supplier shall be notified via e-mail of new Defective RMA Product, and
- DSE reserves the right to issue credit against an outstanding invoice at end of original 60 calendar days.

Product not returned to DSE within 60 calendar days:

- DSE reserves the right to issue credit against an outstanding invoice at end of original 60 calendar days without further notice.

**Supplier Correction Action Request (SCAR).** In the instance a SCAR is issued against defective goods or repeated manufacturing or delivery findings, the SCAR is to be closed within 20 days of issuance; if it remains open past the 20 days, at the discretion of the Buyer and/or Quality Assurance Manager, a future PO may be delayed until said SCAR is closed.

If there are questions, please call or e-mail us at [Purchasing@digitalsys.com](mailto:Purchasing@digitalsys.com).

Respectfully,

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