

A PROCUREMENT PLAYBOOK

Recovering IEEPA Refunds From Your Supply Base

A structured approach to recovering supplier tariff costs following the 2026 Supreme Court IEEPA ruling.

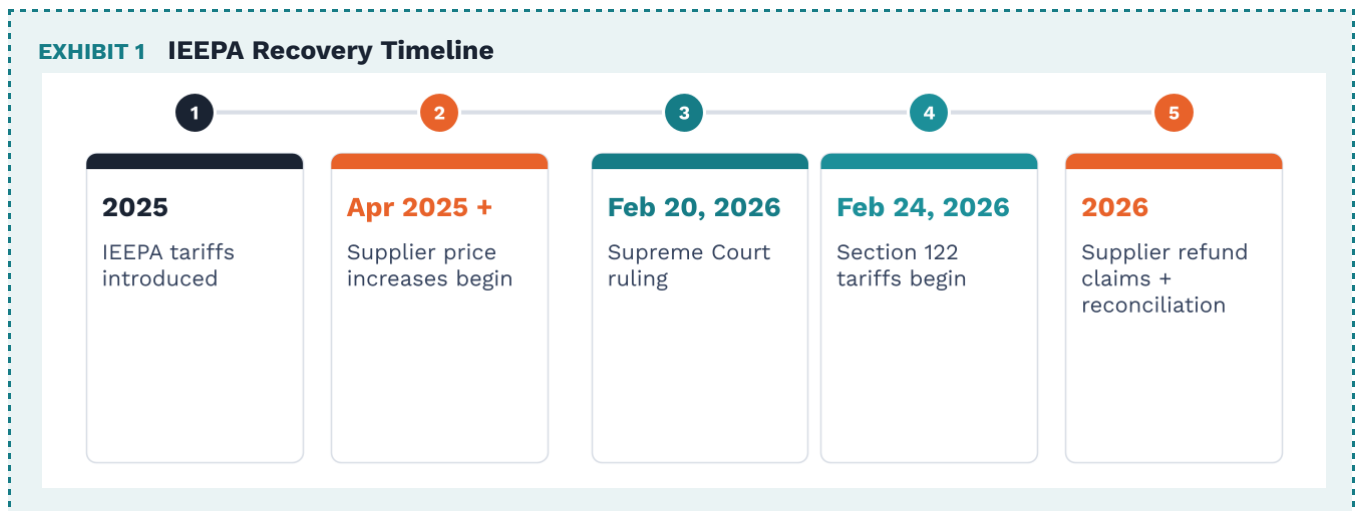
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August 2026

OVERVIEW

Why This Opportunity Exists

Many procurement organizations absorbed supplier price increases during 2025 that were driven, at least in part, by IEEPA tariffs. Following the Supreme Court's February 2026¹ ruling, up to **\$175 billion** on IEEPA duties became potentially subject to refund, according to the Penn Wharton Budget Model.² In many cases, however, the refund will flow to the supplier because it was the importer of record, not to the customer that ultimately absorbed the higher price.



This creates a one-time opportunity for procurement organizations to recover value that would otherwise remain with suppliers. By identifying tariff-related price increases and working with suppliers to reconcile refunds, companies may be able to recover meaningful value that would not otherwise return automatically.

This playbook outlines a practical five-step process for identifying opportunities, validating tariff exposure, engaging suppliers, and converting negotiated agreements into realized savings.

Who Should Read This

Organizations have meaningful exposure if they either purchase imported products or domestically manufactured goods containing imported components. Examples include:

- **Retail & consumer goods:** apparel and footwear, furniture, home goods, electronics and toys.
- **Food & grocery:** coffee, seafood and cheese, wine and spirits — and the glass, cans, and plastic it all ships in.
- **Manufacturing & industrial:** imported components and subassemblies, machinery and spare parts, fasteners and circuit boards, janitorial and PPE.
- **Automotive & aftermarket:** replacement and aftermarket parts, tires, wire harnesses, and batteries.

¹ Supreme Court of the United States, *Learning Resources, Inc. v. Trump*, Feb. 20, 2026.

² Penn Wharton Budget Model, *Supreme Court Tariff Ruling: IEEPA Revenue and Potential Refunds*, Feb. 20, 2026.

The Opportunity, In Brief

What This Playbook Covers

This playbook presents a practical five-step methodology for identifying tariff-related price increases, estimating recovery opportunities, engaging suppliers, and converting negotiated agreements into realized savings.

This methodology was developed during a national retail engagement that identified a tens-of-millions (\$30M+) supplier recovery opportunity.

The opportunity

- IEEPA refunds may represent up to **\$175B** of value for U.S. importers.
- Many organizations will not automatically receive refunds because suppliers were the importer of record.
- Procurement teams must proactively identify exposure and engage suppliers to pursue an equitable share of applicable recoveries.

The approach

A five-step recovery framework:

Phase	Key question	Output
1. Identify	Which products were impacted?	Candidate parts
2. Validate	Was the increase tariff-driven?	Evidence package
3. Size	What value was absorbed?	Recovery estimate
4. Engage	How much will suppliers return?	Supplier agreement
5. Collect	Has value been realized?	Cash recovery

The results

Tens of millions (\$30M+) in estimated commercial exposure sized across 300+ parts and 70 suppliers.

Phase	Output	Value
3. Size	Recovery estimate	Tens of millions (\$30M+)
4. Engage	Supplier commitments / amounts under agreement	65%
5. Collect	Cash recovery	20%+ (as of August)

Recoveries actively being collected, with **65%** in supplier commitments or amounts under agreement.

CASE STUDY

Proof It Works

Client Situation

- Large national retailer with significant supplier spend.
- Multiple suppliers implemented tariff-related price increases during 2025.
- No centralized view of exposure.

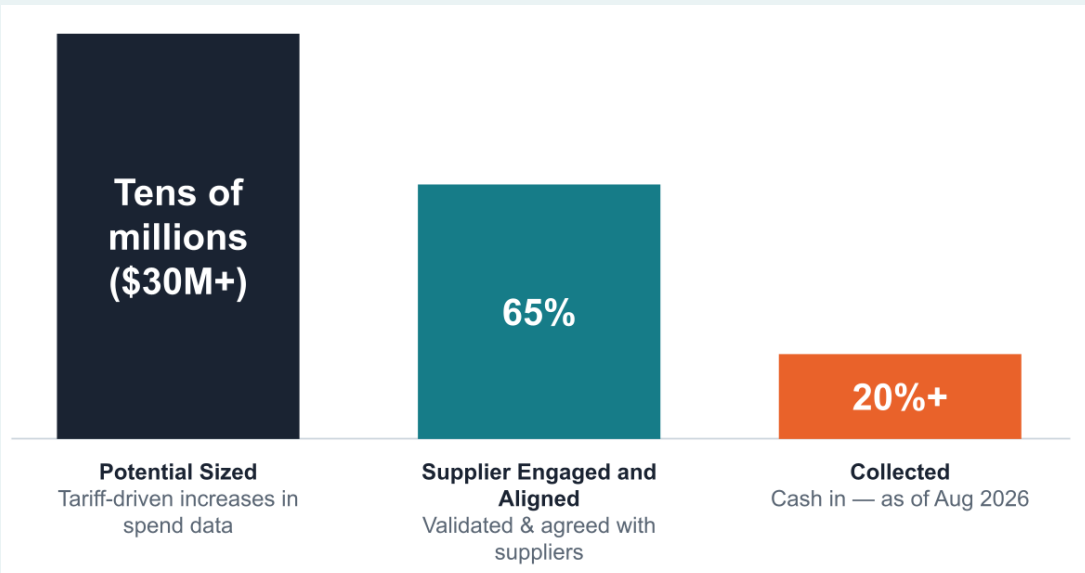
Challenge

- Price increases were dispersed across hundreds of suppliers and thousands of transactions.
- Documentation varied significantly.

Results

- 300+ parts reviewed for tariff related increases
- Tens of millions (\$30M+) estimated commercial exposure
- 70 suppliers contacted for recovery
- 65% supplier commitments or amounts under agreement, generally contingent on refund receipt
- 20%+ collected as of August 2026

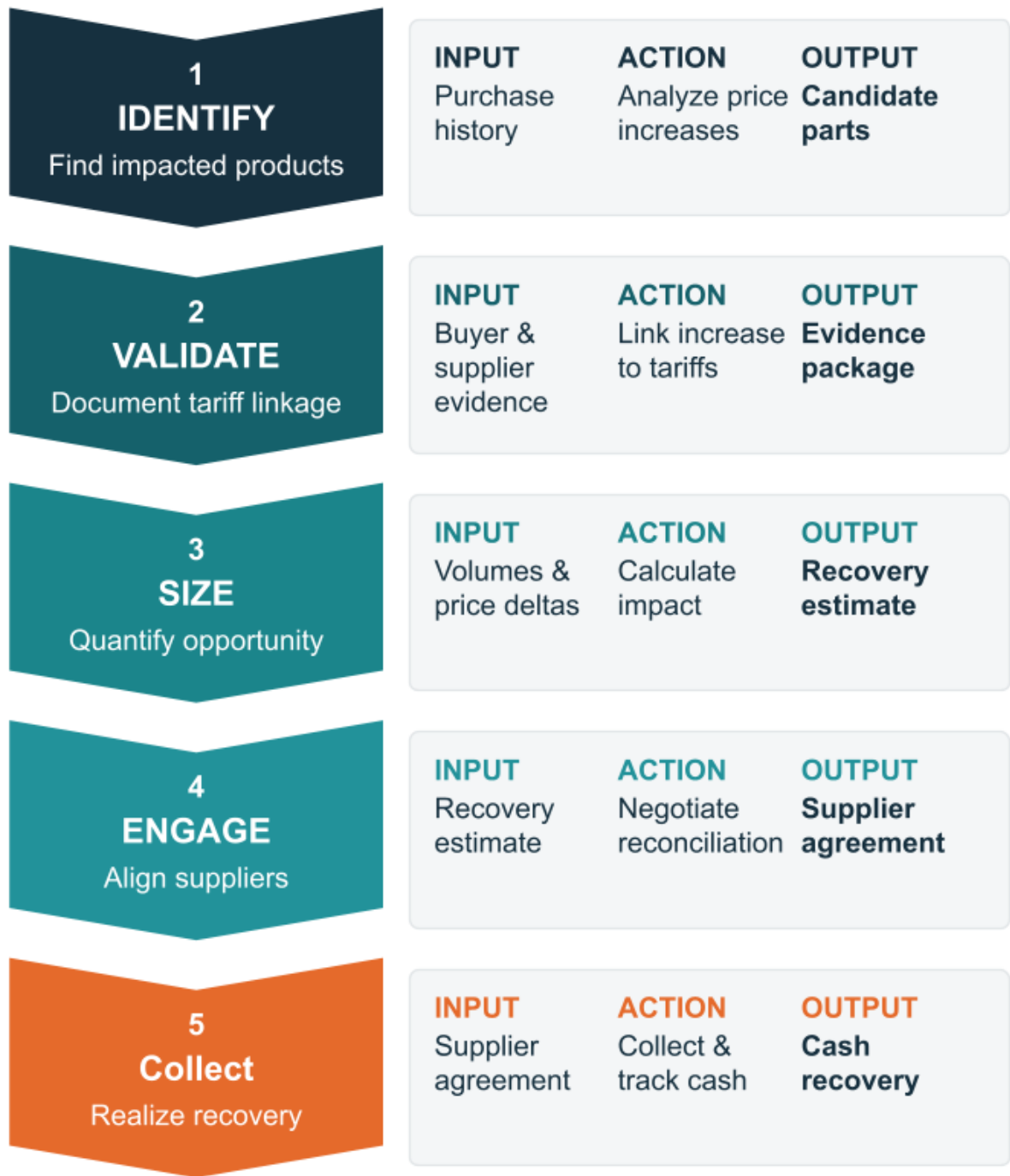
EXHIBIT 2 Recovery Opportunity Waterfall



The Five-Step Framework

We followed five steps to recover IEEPA-related costs from the supply base. The methodology is intentionally straightforward, but successful execution requires rigorous analysis, disciplined prioritization, and strong internal documentation.

EXHIBIT 3 Five-Step Supplier Recovery Framework



STEP 01

Identify Impacted Part Numbers

Objective

Develop a comprehensive list of products whose prices increased during the IEEPA period and warrant further investigation.

CONSULTANT INSIGHT

The core screening method below focuses on existing parts with observable price histories. Organizations with high part turnover should run a separate analysis for newly introduced products whose initial prices may already include tariffs.

Why this matters

Every downstream result depends on the quality of the initial candidate list. At this stage, the goal is not to prove that every price increase was tariff-related. Instead, cast a wide net to identify all parts that may have been impacted.

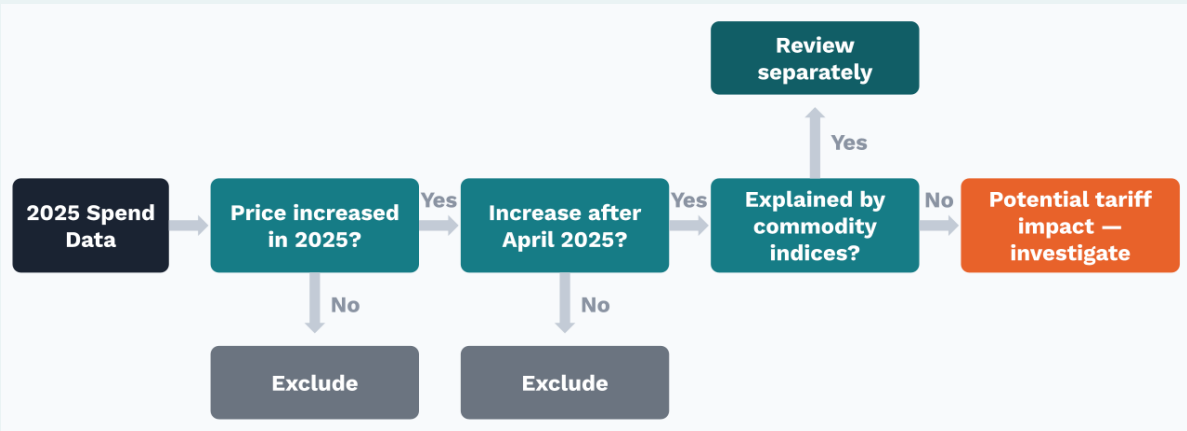
Approach

An impacted part number has three characteristics:

- One or two discrete price increases during 2025.
- The increase occurred in April 2025 or later, after IEEPA tariffs took effect.
- The increase cannot be readily explained by commodity indices or other market factors.

Note: This framework does not consider new parts added later in 2025 that may have tariffs embedded in their initial unit prices.

EXHIBIT 4 Impacted-Part Screening Logic



Method 1 — Review documented price increases

If your organization maintains a centralized repository of supplier price-increase requests or approvals, begin there. Search for increases where tariffs were explicitly cited as the justification.

Method 2 — Analyze purchasing data

More commonly, the supporting documentation resides in buyers' email inboxes rather than a central repository. In these cases, analyze 2025 purchasing data to identify part numbers exhibiting clear, one-time price increases that align with the IEEPA timeline. These become candidates for further review in the next phase.

Part	Supplier	Price change	Timing	Status
ABC-123	Supplier A	+18%	May 2025	Review
DEF-456	Supplier B	+6%	June 2025	Commodity driven
GHI-789	Supplier C	+22%	April 2025	Review

Common pitfalls

- Eliminating parts before validating the underlying reason for the increase.
- Assuming every 2025 price increase was tariff-related.
- Limiting the review to your largest suppliers while overlooking smaller vendors with meaningful exposure.

Deliverable

A comprehensive inventory of potentially impacted part numbers, including: part number, supplier, date of price increase, amount of increase, and initial rationale (if known). This list becomes the working inventory for tariff validation in the next step.

With the candidate inventory established, the next step is determining which opportunities are genuinely tariff-related.

STEP 02

Document a Tariff Link

Objective

Build a commercially defensible evidence package to demonstrate which price increase was driven by IEEPA tariffs.

Why this matters

Not every price increase during the IEEPA period was caused by tariffs. Before engaging suppliers, validate that each opportunity has a reasonable basis. The objective is commercial credibility, not legal certainty.

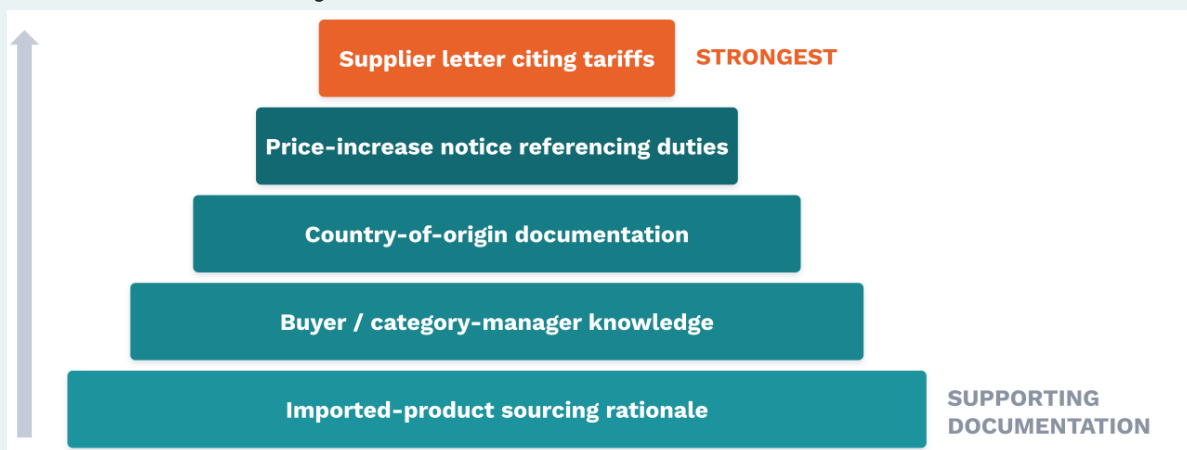
Approach

Review each candidate part and determine whether the price increase can be linked to imported goods subject to IEEPA tariffs. Start by engaging the buyers and category managers responsible for each supplier — they often have context that does not exist in ERP systems, including supplier communications, sourcing knowledge, and pricing discussions.

Look for evidence such as:

- Supplier emails or letters citing tariffs as the reason for a price increase.
- Price-increase requests that reference IEEPA or import duties.
- Knowledge that the product, component, or raw material was imported from an affected country.
- Country-of-origin documentation or supplier sourcing information.
- Other commercial evidence supporting a tariff-driven increase.

EXHIBIT 5 Tariff Evidence Pyramid



Documentation will vary by supplier. Some vendors will have explicit correspondence explaining the increase, while others require combining purchasing records with institutional knowledge. For example, a trail-mix supplier may source cashews from India.

EXHIBIT 6 Evidence Package Example

VALIDATED OPPORTUNITY • CASE FILE	
SUPPLIER ABC Foods	EVIDENCE ✓ Supplier email citing tariffs
PART Cashews	✓ Product sourced from India
PRICE INCREASE +12% (effective May 2025)	✓ Buyer confirmation
Confidence: HIGH	

Common pitfalls

- Eliminating opportunities simply because formal documentation cannot be found.
- Assuming every imported product was affected by IEEPA tariffs.
- Relying solely on ERP data instead of leveraging buyer and category-manager knowledge.
- Waiting until supplier discussions begin before gathering supporting evidence.

Deliverable

A validated list of tariff-related opportunities, with supporting evidence for each part number — supplier, part number, supporting documentation or commercial rationale, evidence source (email, buyer knowledge, country of origin, pricing notice), and confidence level (optional). This becomes the working file used to estimate recovery value and support supplier negotiations.

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Invaluable data is often buried in buyers’ heads, notes, or email. Don’t overlook the importance of speaking with them alongside conducting the data analysis.

Once the evidence base is complete, estimate the commercial impact to establish a negotiation baseline.

STEP 03

Size the Opportunity

Objective

Estimate the recoverable value associated with tariff-driven price increases and establish a defensible starting point for supplier negotiations.

Why this matters

Customer price increases rarely equal supplier duty exposure. Suppliers recover duties based on the amounts they paid to U.S. Customs, while procurement teams see the commercial impact through higher purchase prices. The purpose of this analysis is to quantify the amount your organization absorbed and create a reasonable estimate to begin supplier discussions. The final recovery amount will be reconciled against supplier import records and actual duty paid.

Approach

For each validated part number, calculate the estimated opportunity:

Estimated Opportunity = Units Purchased × Price Increase Per Unit

Determine the price-increase window

Identify the original price before the increase, the effective date of the increase, and the date the price returned, changed, or was expected to normalize.

IEEPA tariffs were struck down on **February 20, 2026**, and Section 122 tariffs³ replaced them beginning **February 24, 2026**. This creates a natural endpoint for the IEEPA recovery period. For goods that continued moving through inventory after the tariff change, a slightly extended recovery window may be appropriate depending on the supplier relationship and inventory cycle — document the assumption used.

CONSULTANT INSIGHT

February 24, 2026 was also the date tariffs shifted from IEEPA to Section 122. The transition reduced the tariff in many cases and is an opportunity for a price reduction request.

Calculate the commercial impact

Input	Example
Part number	ABC-123
Supplier	Supplier A
Pre-increase price	\$10.00
Increased price	\$12.00
Unit increase	\$2.00
Units purchased	100,000

³ U.S. Customs and Border Protection, CSMS #67844987, Imposing Temporary Section 122 Duties, Feb. 23, 2026.

Input	Example
Estimated opportunity	\$200,000

Separate opportunity sizing from final recovery

A common mistake is treating the estimated opportunity as the final refund amount. The commercial impact represents the additional cost absorbed by your organization. The final recovery represents the amount supported by:

- Actual import entries
- Duties paid
- Refund received from CBP
- Supplier reconciliation

Use the calculated opportunity as the negotiation starting point, then reconcile based on supplier documentation.

Common pitfalls

- Assuming the price increase equals the supplier's refund.
- Applying the same recovery window across all suppliers without considering inventory cycles.
- Including price increases that occurred before IEEPA tariffs began.
- Failing to document assumptions behind the calculation.
- Allowing suppliers to define the opportunity before establishing your own estimate.

Deliverable

A supplier-level recovery estimate: supplier, part number, price before and after the increase, increase percentage and dollar amount, effective date, units purchased during the recovery window, estimated recovery opportunity, and supporting assumptions. This becomes the negotiation baseline for supplier discussions.

With the opportunity quantified, engage suppliers to reconcile estimated exposure against actual duty recovery.

STEP 04

Engage Suppliers on Recovery

Objective

Reach alignment with suppliers on the estimated recovery amount, refund status, and repayment method.

Why this matters

Analysis identifies value. Supplier conversations determine whether that value is recovered. The first supplier conversation sets the tone for the entire process. The goal is not to dispute supplier pricing decisions, but to reconcile the impact of IEEPA tariffs and align on how recovered amounts should flow back to the customer.

EXHIBIT 7 Supplier Engagement Process



1. Lead with partnership, not accusation

USE THIS FRAMING

“We identified potential IEEPA-related costs that may have flowed through our purchases. We are working with our supplier partners to reconcile these amounts and align on the appropriate recovery process.”

AVOID

“You owe us a refund.”

The supplier is more likely to engage when they view the conversation as a joint reconciliation rather than a dispute.

2. Provide your analysis upfront

Do not ask suppliers to investigate from scratch. Provide the impacted parts, relevant purchase periods, price increases identified, estimated opportunity, and supporting documentation where available. This demonstrates preparation and accelerates alignment.

Supplier Outreach Template

Subject: IEEPA Tariff Recovery Review

Hi [Vendor],

As part of our IEEPA tariff review, we identified purchases where pricing increases may have been related to IEEPA duties incurred between April 2025 and February 2026. Following the Supreme Court’s ruling earlier this year, we are working with our supplier partners to reconcile these amounts and align on the appropriate recovery process.

Based on our analysis, our estimated exposure is outlined below:

Part	Period of increase	Increase / unit	Estimated opportunity

We would like to confirm whether you have filed for applicable IEEPA refunds and align on the amounts identified above. We recognize your actual duty exposure may differ from our estimate and would like to reconcile against your supporting documentation. Please share your perspective or any questions by [date], and we can schedule time to review together.

Thank you,
[Buyer]

Supplier Negotiation Process

Once outreach begins, expect suppliers to fall into several categories:

Supplier response	Recommended action
Immediately cooperative	Confirm amount and repayment mechanism.
Needs documentation	Provide analysis and schedule a reconciliation meeting.
Disputes tariff linkage	Review supporting evidence.
Delays response	Establish an escalation cadence.
Refuses engagement	Prioritize based on opportunity size.

CONSULTANT INSIGHT

The initial email starts the conversation, but no dollars will be recovered if follow-up falls by the wayside.

Agreeing on a Recovery Method

Once an amount is agreed, align internally with finance on the preferred payment mechanism. Common options include:

Method	Consideration
One-time payment / ACH	Fastest realization of cash recovery.
Credit memo / COGS reduction	Simplifies accounting treatment.
Future price reduction	Useful where ongoing purchases continue.
Check payment	Alternative where systems do not support credits.

Cash recovery is typically the cleanest starting point *because it makes the value realization visible*.

Common Supplier Objections

Objection	Response
“Other costs increased too.”	We are focused specifically on costs documented as tariff-related. Other drivers, such as freight or commodities, we are happy to review separately.
“It's too complicated to know what we'll receive.”	The final refund depends on your customs filings. Our goal is to align on a starting estimate now and reconcile once your refund is processed.
“Our costs never dropped — we moved to Section 122.”	Section 122 began February 24, 2026 at 10% ⁴ , below most IEEPA rates. We are reconciling the difference between the IEEPA period and the subsequent environment.
“Our entries are liquidated or under reconciliation.”	Let's involve the appropriate trade teams to confirm claim status and timing, which will help determine the expected recovery timeline.
“We already applied the savings internally.”	The original tariff cost flowed through to our organization. We would like to reconcile the amount before the recovery is fully absorbed.
“We're under no contractual obligation to pass this back to you.”	We recognize that the contractual treatment may vary by supplier and should be reviewed with the appropriate legal and commercial teams. Independently of that analysis, the tariff cost was reflected in our pricing, so we would like to discuss an equitable reconciliation of any related recovery.

Practical Considerations

Expect a recovery haircut

The final recovery amount can differ from the initial estimate. Suppliers will try to deduct costs associated with filing support, customs counsel, administrative effort, and interest considerations. Establish your negotiation position before discussions begin — for example:

- Will you allow suppliers to retain interest earned on refunds?
- Will suppliers absorb filing costs?
- Is a percentage split acceptable?

Define these rules upfront to avoid negotiating each supplier independently.

Maintain negotiation discipline

Successful recovery programs require consistent follow-through: track every supplier interaction, assign ownership for each vendor, establish a follow-up cadence, escalate stalled discussions, and maintain a centralized recovery tracker.

Deliverable

A completed supplier recovery tracker containing: supplier, estimated opportunity, supplier response status, agreed recovery amount, payment method, expected collection date, and actual recovery received. This tracker becomes the management tool for driving recovery to completion.

Supplier alignment creates value only when agreements are converted into cash or credits.

⁴ U.S. Customs and Border Protection, CSMS #67844987, Imposing Temporary Section 122 Duties, Feb. 23, 2026. Winters Procurement | WintersProcurement.com

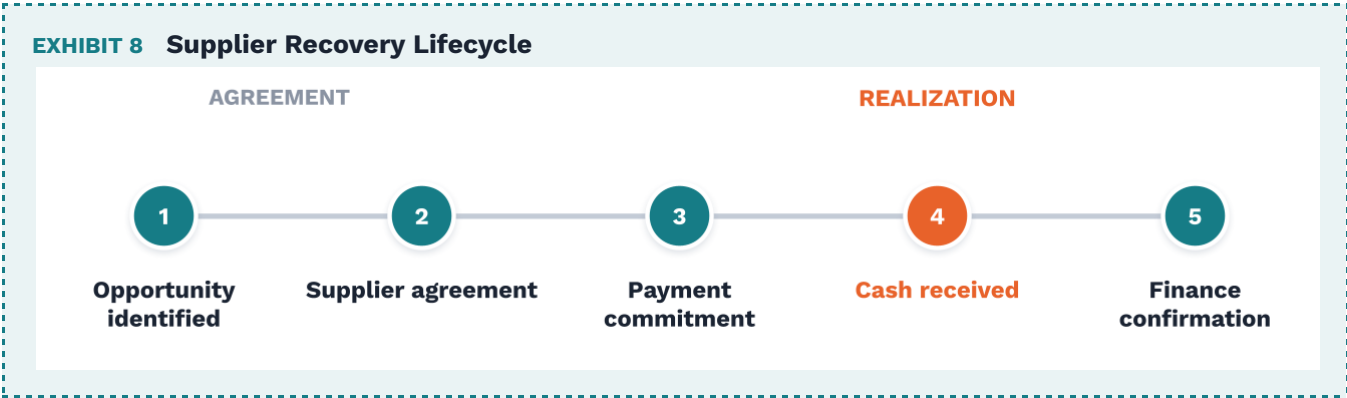
Collect and Track

Objective

Convert supplier agreements into realized financial recovery and maintain visibility until all committed funds are collected.

Why this matters

Supplier agreement creates potential value. Collection creates realized value. Without clear ownership, documentation, and follow-through, negotiated recovery amounts can remain uncollected for months or become lost during normal supplier account activity. A disciplined tracking process ensures that agreed recovery amounts translate into measurable financial impact.



1. Document the agreement

Once a supplier confirms the recovery amount, capture the agreement in writing. The record should include supplier, impacted products, agreed recovery amount, basis of calculation, payment mechanism, expected payment date, internal owner, and supplier owner. Do not rely on verbal commitments — supplier personnel may change, and informal agreements can lose priority once the negotiation cycle ends.

2. Establish the payment mechanism

Work with finance and accounts payable to determine the preferred recovery method. Common options include:

Recovery method	Best used when
One-time payment / ACH	Immediate cash recovery is preferred.
Credit memo	The relationship is ongoing and systems support credits.
Invoice deduction	Supplier and customer have established deduction processes.
Future price adjustment	A long-term relationship continues for years into the future.

The preferred mechanism depends on the supplier relationship, accounting requirements, and speed of realization. In most cases, direct cash recovery or a documented credit provides the clearest visibility into recovered value.

3. Create recovery governance

Treat the recovery effort like a sourcing initiative, not a one-time analysis. Establish a weekly or biweekly supplier review cadence. The objective is to maintain momentum until the opportunity has been fully collected, documented, and confirmed by finance.

Common pitfalls

- Closing the project after supplier agreement rather than payment receipt.
- Failing to assign ownership for follow-up.
- Allowing suppliers to delay payment indefinitely.
- Tracking only total recovery instead of supplier-level commitments.
- Losing documentation after the original buyer or supplier contact changes roles.

Deliverable

A supplier recovery tracker showing the full recovery lifecycle:

Supplier	Est. opportunity	Agreed recovery	Payment status	Recovery date
Supplier A	\$5.0M	\$4.5M	Received	July 2026
Supplier B	\$3.0M	\$3.0M	Pending	August 2026

The tracker should provide visibility into identified opportunity, validated opportunity, negotiated recovery, collected cash, and remaining outstanding value.

NEXT STEPS

Conclusion

Organizations that act early are better positioned to recover value while documentation remains available, supplier contacts remain engaged, and applicable claim processes are still active. A disciplined recovery program, whether managed internally or with outside support, helps organizations identify exposure, maintain supplier follow-through, and convert negotiated agreements into realized cash or credits.

Working Together

Interested in understanding your exposure?

Winters Procurement can complete a preliminary opportunity assessment in 2–3 weeks, identifying likely recovery opportunities before supplier outreach begins.

Schedule a complimentary opportunity review [here](#).

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