

# ERS guide for Suppliers



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## Introduction

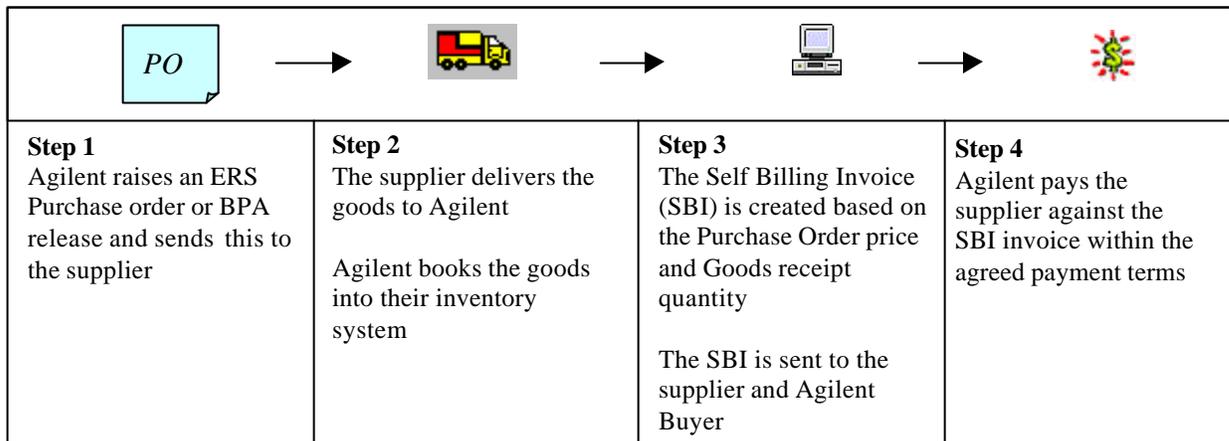
### What is ERS?

ERS stands for “Evaluated Receipt Settlement,” and is an automated invoice and payment system. Agilent creates an invoice on the your behalf once goods are received into Agilent’s inventory or are consumed in production. You do not need to send an invoice payment, as Agilent’s Self Billing Invoice will be used to make the payment to you.

### What are the benefits of ERS?

As a supplier on ERS you will receive on-time payments, on a regular basis, resulting in better cash flow. ERS invoices never go on hold as the Purchase Order price and the invoice always match. This means no invoices being held up for payment, allowing you to more reliably predict your incoming cash flow. Another advantage of ERS is that you will no longer need to print and send invoices to Agilent. The elimination of this clerical task will save administration time as well as eliminating postage costs.

### How does ERS work?



### Details

1. A blanket PO (BPA) Release or a standard Purchase Order is created.
2. The supplier delivers the goods to Agilent. The receiving department checks the materials are in good condition and books the goods into stock against the Agilent PO number. If a packing slip or shipping document is sent with the goods, this number will be recorded with the receipt.
3. An automated program runs on a daily basis, picking up all goods received against ERS Purchase Orders. The program creates Self Billing Invoices (ERS invoices) for the receipts, using the current PO price and receipted quantity. The Self Billing Invoice contains your Packing Slip number. Agilent emails or mails the SBI to you and the buyer on a weekly basis.
4. Within the normal payment terms, Agilent will pay you for the Self Billing Invoice.

## Using ERS

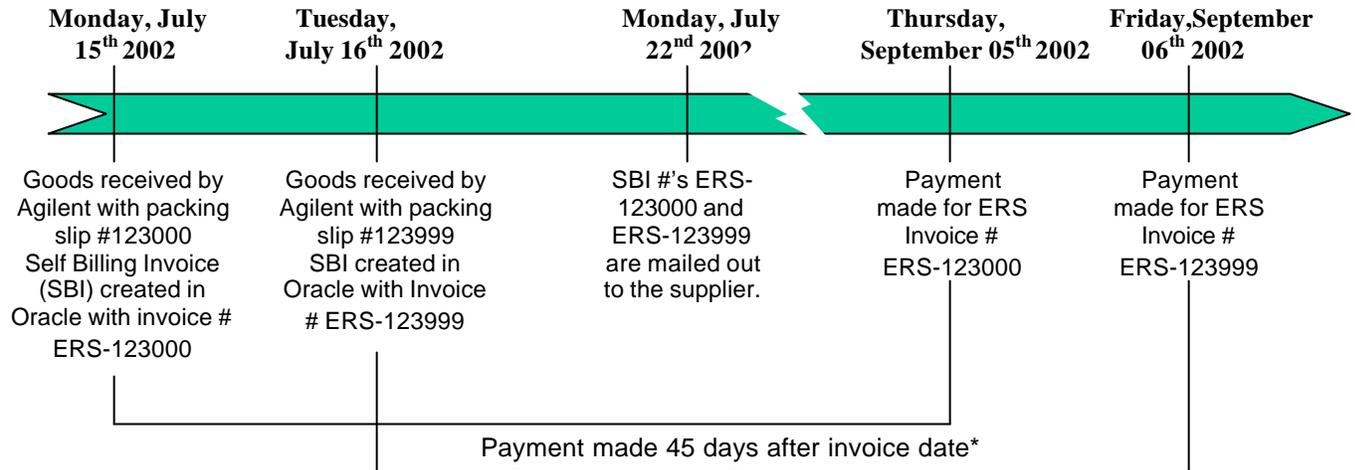
### Background

The key tool used for ERS is the Self Billing Invoice, or SBI. The SBI is a legal document created by Agilent on your behalf. In the case of discrepancies and tax issues, it is the SBI, which takes precedence. You must not send your own invoices to Agilent for ERS orders, as this will cause payments to go on hold.

As well as containing all the necessary legal verbiage for an invoice, the SBI contains information that will enable you to reconcile our payment against their deliveries. For an example of what the Self Billing Invoice looks like, refer to the sample shown at the end of this document.

## Timing

The Self Billing Invoices are sent out on a weekly basis. The SBI's are sent to you, the Agilent buyer and local Accounts Payable department. Each group will receive all the SBI's created during the previous week. Payment occurs within the normal payment terms. Therefore if you have standard payment terms you should expect to be paid two to four weeks after you receive the Self Billing Invoice. If you do not receive a Self Billing Invoice, contact your buyer.



\* Note – This is based on a supplier paid with Net 45 Payment terms. Different terms may apply

## Printing off the Self Billing Invoice

The Self Billing Invoices will be sent as a text file. However, if you open the file up using NotePad, you will lose the formatting and will find it difficult to view or print off the document. You need to open the files using Microsoft Word or Wordpad so that the formatting is not lost. To print off the document, you may need to adjust the margins and paper size to fit on one piece of paper.

## Miscellaneous Charges

Self Billing Invoices and payments will be automatically created for goods on a standard Purchase Order and BPA release that are physically received by the Receiving Department. However, there may be situations where it is not possible to accurately estimate the price of an item when the PO is created. There may also be charges for services that are not normally received by Agilent's receiving department. For these special cases, Agilent will need to create a manual purchase order and receive against this to trigger payment. If you need a special reference number on these payments, talk to your Agilent buyer to include this reference as the "Packing Slip" number for the receipt. This will ensure that the number is included on your Self Billing Invoice and payment remittance.

## Debit and Credit Memos

A debit memo is created by Agilent in Oracle to register a credit for goods or services from a supplier. A credit memo is a document sent by you to Agilent to notify us of that we are being credited for the return of goods. Debit and credit memos should always match each other i.e. if we generate a debit memo for the return of 10 items at \$10, we expect you to also send us a credit memo for the same amount and quantity, and to reference the correct PO number.

In Oracle, a Return to Supplier (RTS) transaction will automatically create a Debit Memo in Oracle. Accounts Payable will send the Debit Memo to you. However, a Self Billing Invoice will not be created for the transaction.

The process for Debit and Credit Memos works the same way for ERS transactions as for any other standard billing process. Any goods which are returned will have a Debit Memo created, which will net off the total payment that you receive.

## Reconciliation and Resolving ERS Discrepancies

When you receive the Self Billing Invoices, discrepancies may be noticed between the expected payment and what is on the Self Billing Invoice. Work with your buyer to correct these issues as quickly as possible, so that there is minimal disruption to the payment.

1. Check that the quantity Agilent has received matches what you believe was sent. If the quantity received is different, talk to your Agilent Buyer to get the receipt quantity corrected.
  - If you believe the quantity Agilent has received is less than what you sent, Agilent can receive the additional quantity. This may result in an additional Self Billing Invoice being created, but it should not result in late payment to you for the goods.
  - If you believe Agilent has received more than you sent, Agilent will perform a Return to Supplier transaction in Oracle. This will generate a Debit Memo in the system, which will net off what we pay you.
2. Check the unit price of the goods on the Self Billing Invoice is correct
  - If you believe the unit price on the SBI is too low, notify your Agilent buyer immediately. If it is still possible, the receipt can be reversed and the goods re-receipted at the correct price. This will still result in a credit for the first transaction to net off the payment at the incorrect price, and a new Self Billing Invoice at the correct price.
  - If you believe the unit price on the SBI is too high, notify your Agilent buyer immediately. Agilent will create a return to supplier and debit memo for the amount we have overpaid, which will net off your total payment.
  - If it is not possible to do a return to supplier, Agilent may need to create a manual PO to compensate for the additional amount. If this is the case, we will work with you to get this paid to you in a timely manner.
3. Check that the tax shown on the SBI is correct. The tax amount is calculated from the tax code in Agilent's Purchase Order. If this is incorrect, notify your Agilent buyer immediately to get this updated.

### ***Where to get more Information***

For more information on ERS, talk with your buyer, or go to Agilent's Supplier website:  
[www.agilent.com/go/supplier](http://www.agilent.com/go/supplier)



**Example Self Billing Invoice**

Agilent ERS Invoice Number. This may be the same as your packing slip number.

**Invoice Number:** ERS-000000124

**Buyer Created Invoice - Comptroller of Goods and Services Tax Approved**

**Self Billing Invoice**

**Supplier Address**

ABC Inc.  
90 Anywhere St  
Singapore  
GST Regn. No: 98979656431

Supplier's Pay-to Address

*This is a tax invoice*

**Customer**

Agilent Technologies Singapore Pte  
Street Address  
Singapore  
GST Registration Number: M9-0003649-P

Agilent's Bill to Address

The local currency of the Agilent site

**Invoice Date:** 15/03/2002  
**Local Currency:** SGD  
**Supplier Currency:** SGD  
**Exchange Rate:** 1.00

Invoice Line No.	Packing Slip Number	PO Number	Rel. No.	Description	Item No.	Receipt Date	Tax Code	Tax Rate	Unit Price	Quantity	Line Amount
1	AB13526	900001589	01	Gizmo #1	A2568-256	15/03/2002	SG3	3.00			\$30.00
2	AB13526	900001589	01	Gizmo #2	A2568-258	15/03/2002	SG3	3.00	\$70.00	1	\$70.00
3		900001589	01	Singapore GST		15/03/2002		0.00	\$3.00	0	\$3.00
4	AB13005687	900001398	03	Gadget #5	A5687-689	15/03/2002	SG3	3.00	\$15.50	10	\$155.00
5		900001398	03	Singapore GST		15/03/2002		0.00	\$4.65	0	\$4.65

Currency conversion from local to foreign currency

Supplier's Packing Slip or Delivery Note Number

Agilent PO or BPA Number

BPA Release Number

Item Description

The tax shown is output tax due to the Comptroller of Goods and Services Tax

Agilent Item Number

Date Goods were received

**Amount Excluding Tax:** \$255.00  
**Tax Amount Total:** \$7.65  
**Total Invoice Amount:** \$262.65

Total Amount not including Tax

Total Tax Amount



