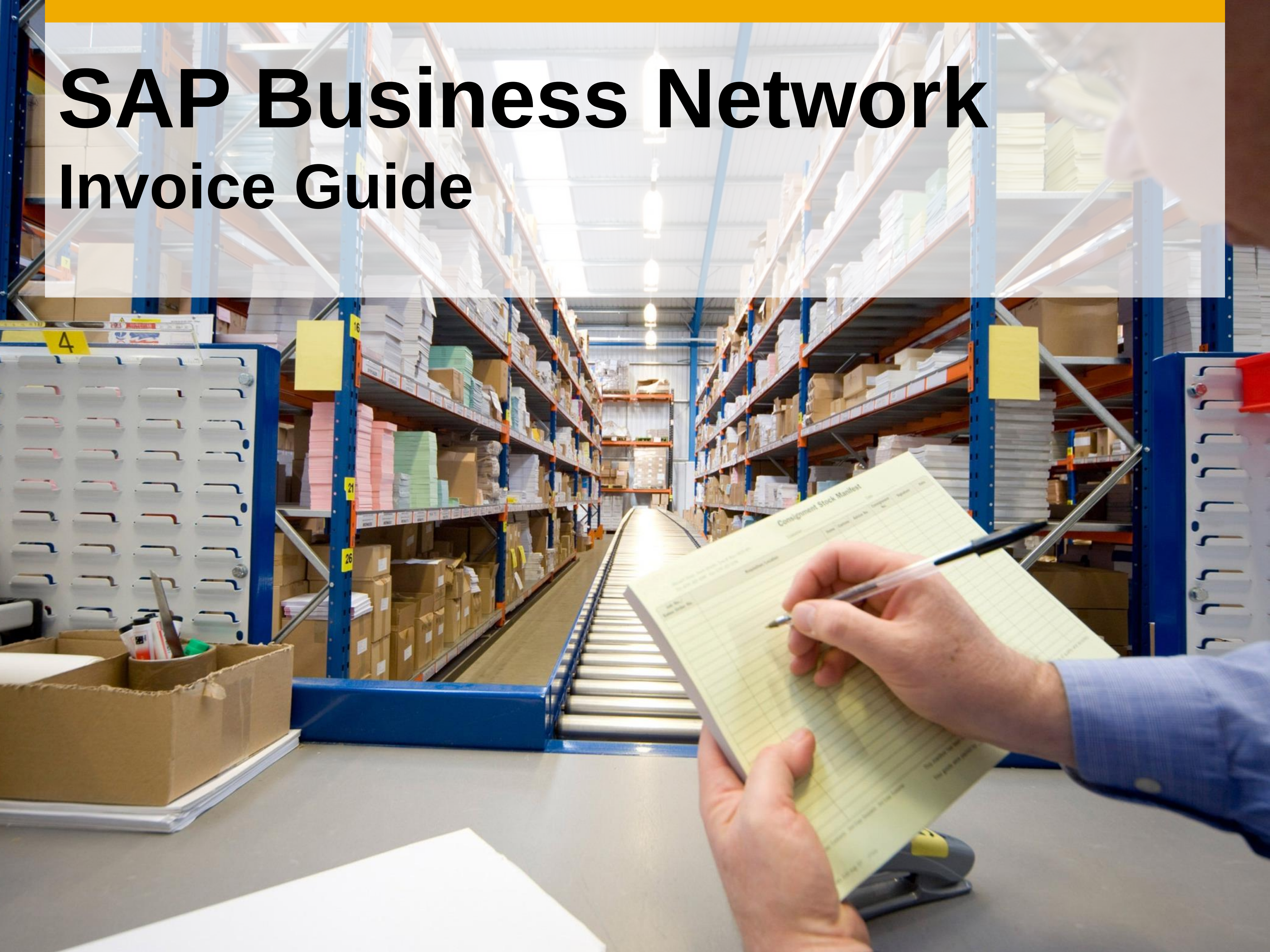
SAP Business Network

Invoice Guide



Content

Introduction

Procure-to-Pay Process

- This document contains the requirements and training for your organization to create and submit invoices online.
- Baker Hughes requires suppliers enabled on SAP Business Network to submit electronic invoices through SAP Business Network.
- Note: Suppliers uploading CSV Invoices or utilizing cXML or EDI technologies should refer to the specification documents available on the Baker Hughes Supplier Information Portal.

Interacting with and transmitting invoices through the SAP Business Network will soon be required to conduct business with Baker Hughes All standard accounts are offered for free. Additionally, for most suppliers there are NO fees associated with the Baker Hughes buyer relationship. To confirm, contact Supplier.Enablement@bakerhughes.com

2. Invoice Practices

Invoice Practices
Supported

Baker Hughes project specifics:

- ***Tax data*** is accepted at the header/summary (line item) level of the invoice.
- ***Shipping data*** is accepted at the header/summary (line item) level of the invoice

Supported Invoice Types

- **Detail Invoices**

  Apply against a single purchase order referencing a line item

- **Partial Invoices**

  Apply against specific line items from a single purchase order

- **Please note:**
- Suppliers are allowed to create Line Level Credit Memos for Quantity Adjustments ONLY
- Suppliers are required to provide a Reason for every Credit Memo

Invoice Practices
Not Supported

NOT Supported:

- **Summary or Consolidated Invoices**

  Apply against multiple purchase orders; not accepted by Baker Hughes,
- **Invoicing for Purchasing Cards (P-Cards)**

  An invoice for an order placed using a purchasing card; not accepted by Baker Hughes,
- **Duplicate Invoices**

  A new and unique invoice number must be provided for each invoice; Baker Hughes, will reject duplicate invoice numbers unless resubmitting a corrected invoice that previously had a failed status on the SAP Business Network
- **Paper Invoices**

  Baker Hughes, requires invoices to be submitted electronically through the SAP Business Network; Baker Hughes, will no longer accept paper invoices
- **Credit Memos**

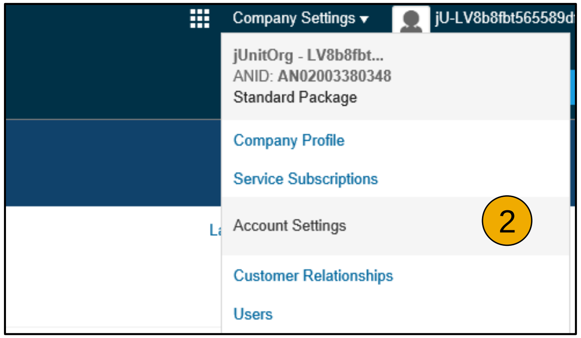
  The Header Level Credit Memo feature is not supported by Baker Hughes,

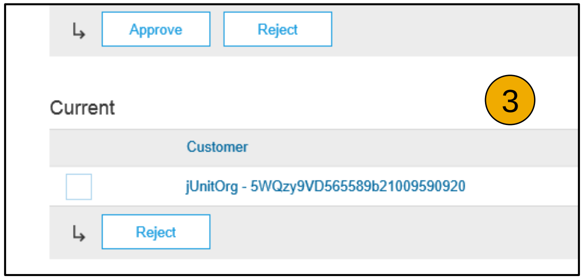
3. Before You Begin Invoicing

Review Baker Hughes Invoice Rules

These rules determine what you can enter when you create invoices.

1. Login to your SAP Business Network account via **supplier.ariba.com**
2. Select the **Company Settings dropdown menu** and under Account Settings, click **Customer Relationships**.
3. A list of your Customers is displayed. Click the name of your customer **(Baker Hughes)**
4. Scroll down to the **Invoice Setup** section and view the **General Invoice Rules**.
5. If **Baker Hughes,** enabled Country-Based Invoice Rules then you will be able to choose your Country in Originating Country of Invoice from the drop down menu
6. Click **Done** when finished.

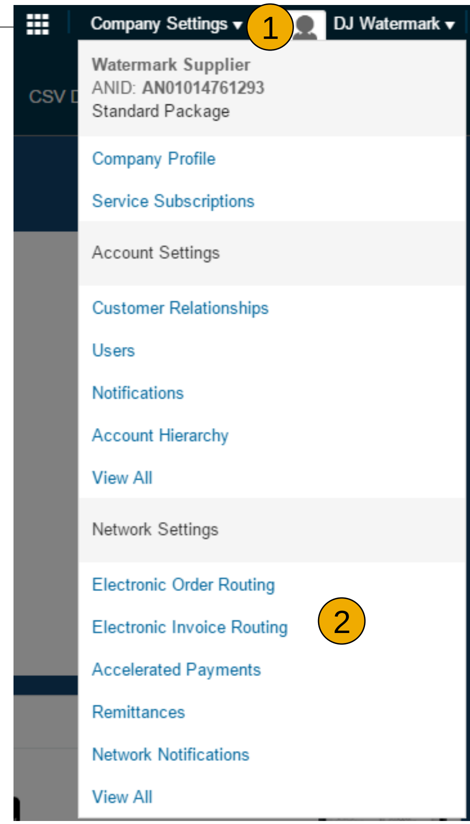


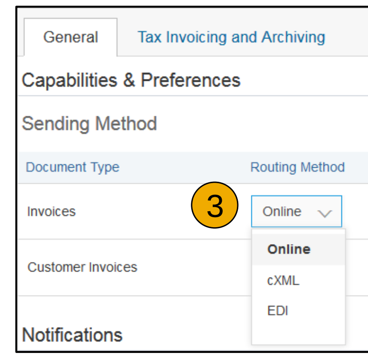


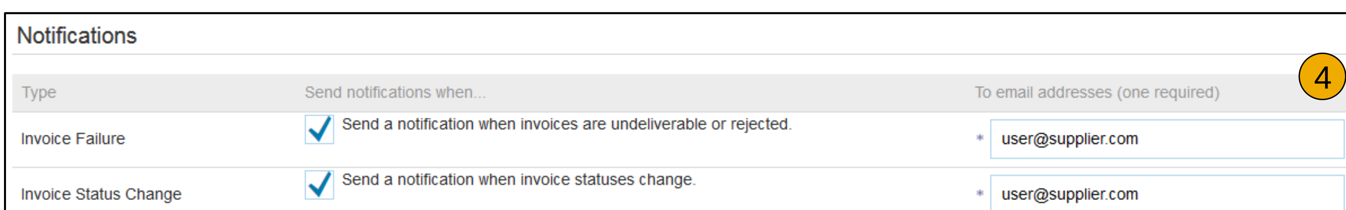
Set Up Electronic Invoice Routing and Notifications

Choose your Invoicing Routing and Notifications preferences:

1. **Login** to your SAP Business Network account via **supplier.ariba.com**
2. **Select** the **Company Settings dropdown menu** and under Network Settings, click **Electronic Invoice Routing**.
3. **Choose** one of the following Invoice routing methods from the dropdown menu: **Online, cXML, EDI**
4. **Configure Notifications** to emails. This allows people within your organization to receive email notifications if there are any Invoice Failures and/or Invoice Status Changes.







Complete your Account Configuration

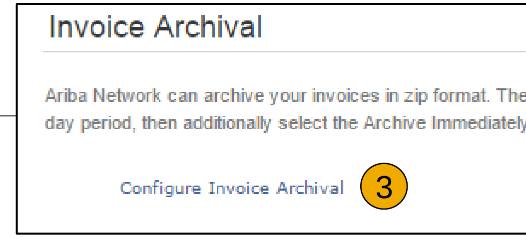
Baker Hughes, project specific tasks:

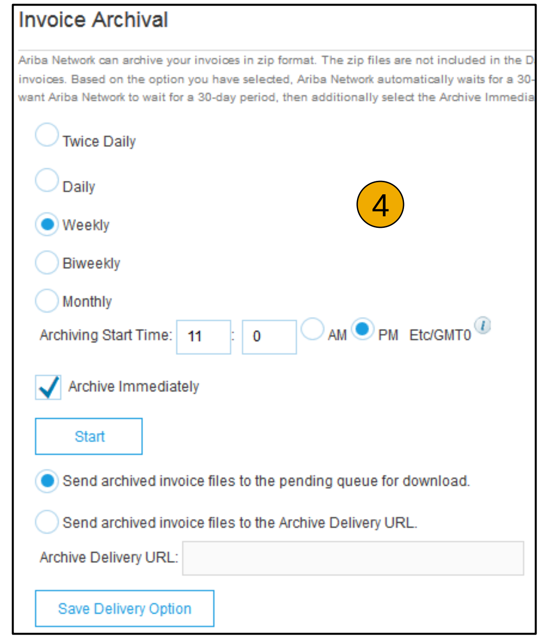
- **VAT ID / TAX ID** – select your company name in the top right corner, go to Company Profile and select tab Business. In the section Financial Information enter your Vat ID / Tax ID.
- **Remittance address** – select your company name in the top right corner and go to Remittances. In the EFT/Check Remittances section select Create and complete all required fields marked by an asterisk.
- **Payment methods** – select your company name in the top right corner and go to Remittances. In the EFT/Check Remittances section select Create/Edit. In the Payment methods section choose one of the following options: ACH, wire is preferred remittance method, we don't allow credit card. Complete the details. The Remittance ID will be communicated to you by your buyer.
- **Test account creation** (testing is required for integrated and catalog suppliers) - to create a test account, select your name in top right corner and choose "Switch to Test ID."
- **Currency** The currency that SAP Business Network uses in the service subscription area of your account is controlled by your organization's location, which you specify in **User Account Navigator > My Account > Preferences**

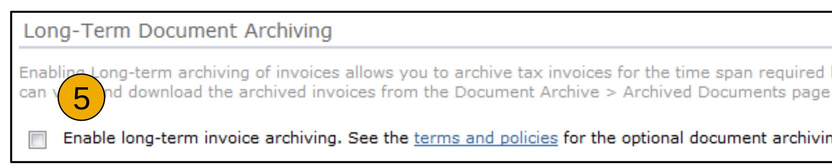
Configure Invoice Archival

Configuring invoice archiving allows you to specify the frequency, immediacy, and delivery of zipped invoice archives. If you wish to utilize it, please follow these steps:

1. From the **Company Settings** dropdown menu, select "**Electronic Invoice Routing**"
2. Select the tab "**Tax Invoicing and Archiving**"
3. Scroll down to "**Invoice Archival**" and select the link for "**Configure Invoice Archival**"
4. Select **frequency** (Twice Daily, Daily, Weekly, Biweekly or Monthly), choose Archive Immediately to archive without waiting 30 days, and click **Start**.
   - If you want Ariba to deliver automatically archived zip files to you, also enter an Archive Delivery URL (otherwise you can download invoices from your Outbox, section Archived Invoices).
   - **Note:** After **Archive Immediately** started you can either **Stop** it or **Update Frequency** any time.
5. You may navigate back to the "**Tax Invoicing and Archiving**" screen in order to subscribe to **Long-Term Document Archiving** for an integrated archiving solution. (More details within the Terms and Policies link.)



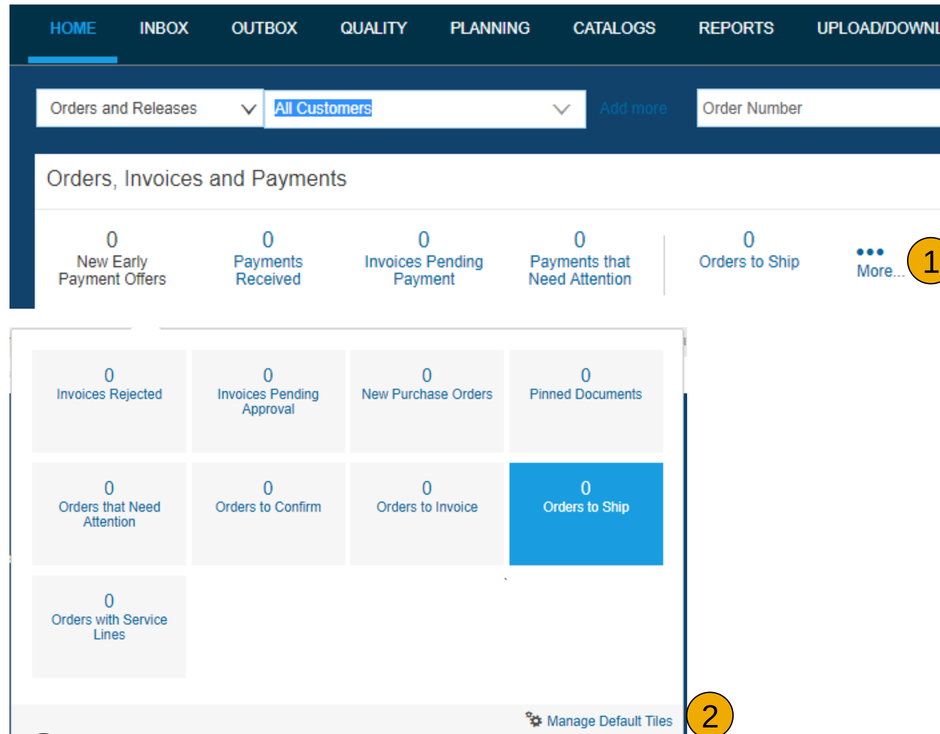


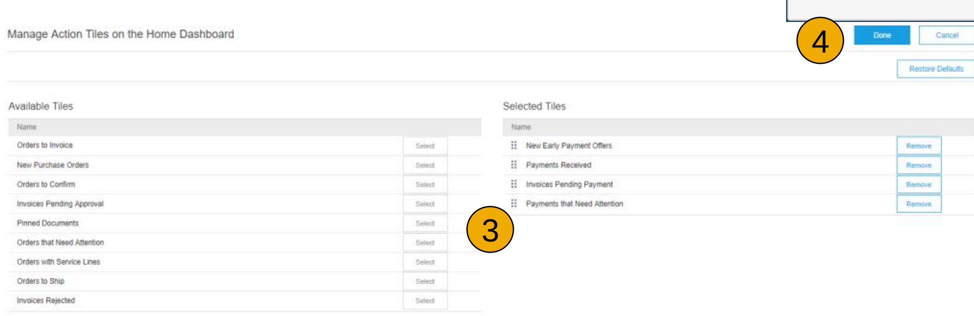


Configure Dashboard

You can configure your Ariba Dashboard to view orders that need to be invoiced

1. From the **Home** page under "Orders, Invoices, and Payments" click More
2. **Click** "Manage default tiles"
3. Under selected tiles, remove any that you do not want to see. Under available tiles, select Orders to Invoice and up to 3 other tiles that you want to see on your dashboard
4. **Click** done
5. You should now see the Selected Tiles that you chose on your dashboard.





4. Creating Invoices

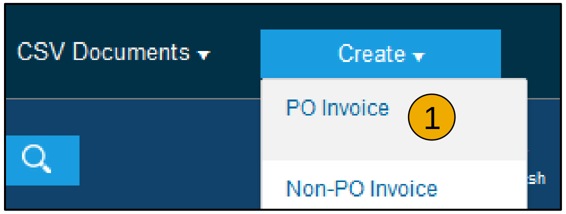
PO Flip Invoicing

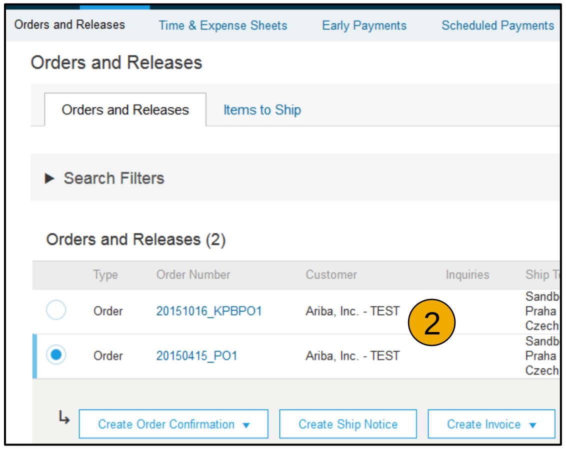
CSV Invoicing
ERS Invoicing
Copy and Existing Invoice

PO Flip Invoice

To create a “PO-Flip” invoice (or an invoice derived from a PO that you received via the SAP Business Network):

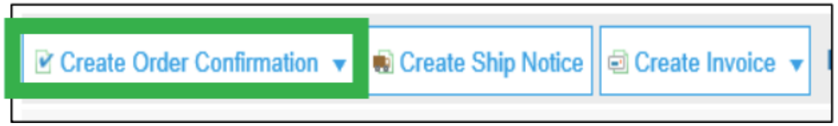
1. From the home screen within your SAP Business Network account, select the “**Create**” dropdown menu and select “**PO Invoice”**.
2. For PO Invoice select a **PO number**.
3. Click on the **Create Invoice** button and then choose **Standard Invoice**.

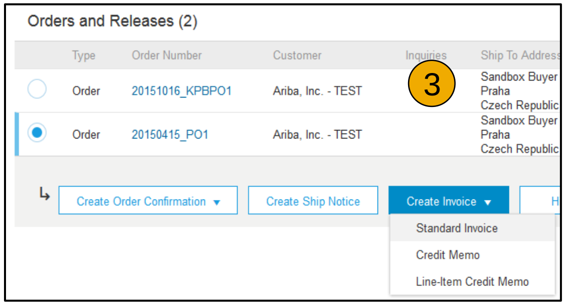




BEFORE INVOICING:

1. If Order Confirmation is required Orders must be fully confirmed
   1. If OC is grayed out or unavailable then it is not required





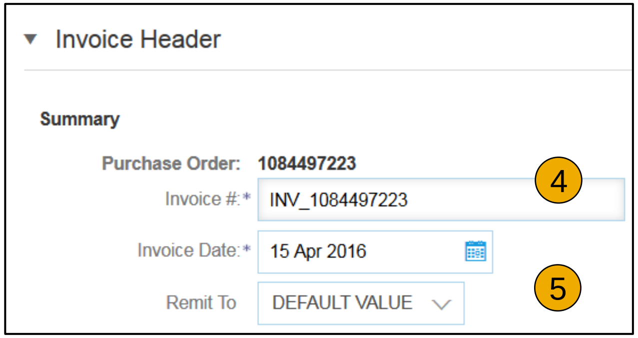
2. ERS is preferred invoicing method for domestic suppliers. International suppliers are only allowed non-ERS

NOTE: ONLY invoices submitted in Ariba will be PAID. Paper/emailed invoices will be rejected

PO Flip Invoice-Header

Invoice is automatically pre-populated with the PO data. Complete all fields marked with an asterisk and add tax as applicable.

4. **Enter an Invoice #** which is your unique number for invoice identification. The Invoice Date* will auto-populate.
5. Select **Remit-To** address from the drop down box if you have entered more than one.
6. **Tax can be entered** at the header level/line item level, if applicable. If the order is non-taxable the tax field should populate with "0". **DO NOT REMOVE this section for non-taxable orders (Tax may be entered at line level)**
7. **You can also add some additional information** to the Header of the invoice such as Attachments
8. **Skip** the shipping section and **Scroll** down to the Line items section to select the line items being invoiced.



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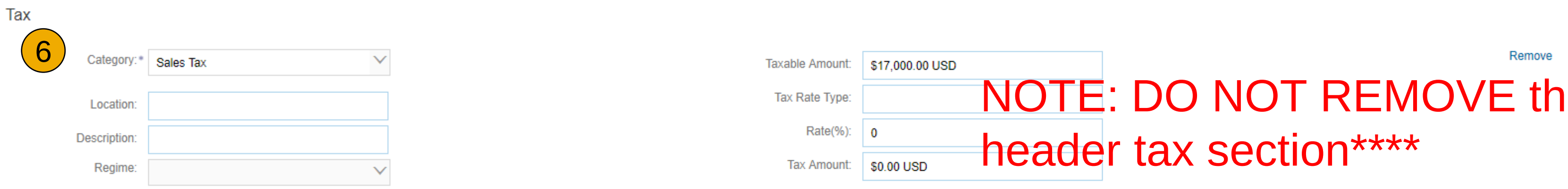
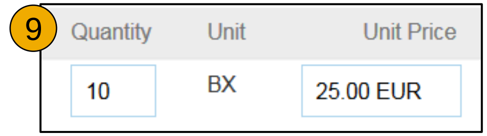


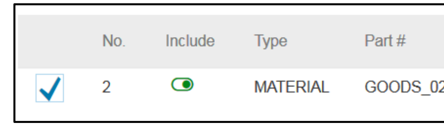
NOTE: DO NOT REMOVE the header tax section****

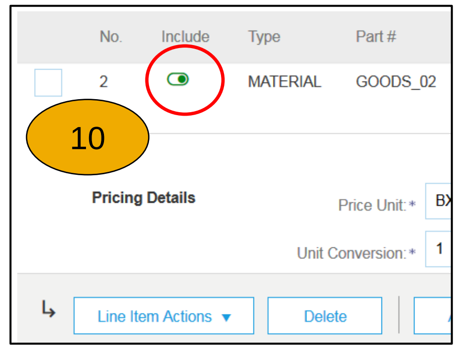
PO Flip Invoice- Line Items

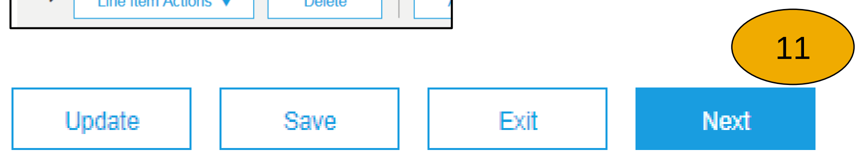
Line Items section shows the line items from the Purchase Order.

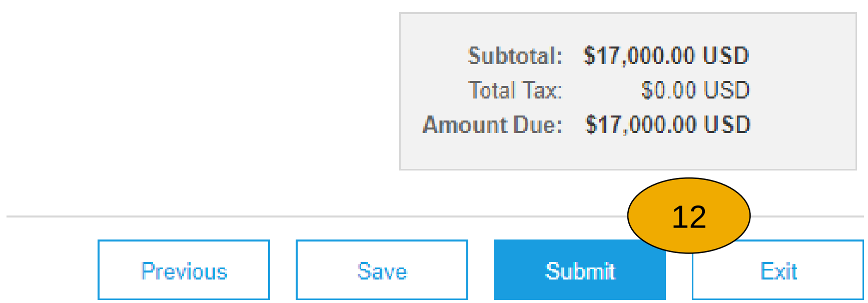
9. **Review or update Quantity** for each line item you are invoicing.
10. **Click** on the line item's green radio button to exclude it from the invoice, if line item should not be invoiced OR click the check box on the left of the item and click Delete to remove the line item from the invoice. You can generate another invoice later to bill for that item.
11. **Click** Next to proceed. (If nothing happens, scroll up to see where you have missed inputting required information)
12. **Review** your invoice for accuracy and click submit to send your invoice to Baker Hughes.
13. Order status will change to "invoiced"











ERS – Evaluated Receipt Settlement

What is it?

ERS is a paperless invoicing method which creates an invoice once a material “receipt” is entered into the ERP. <u>Suppliers do not submit an invoice.</u>

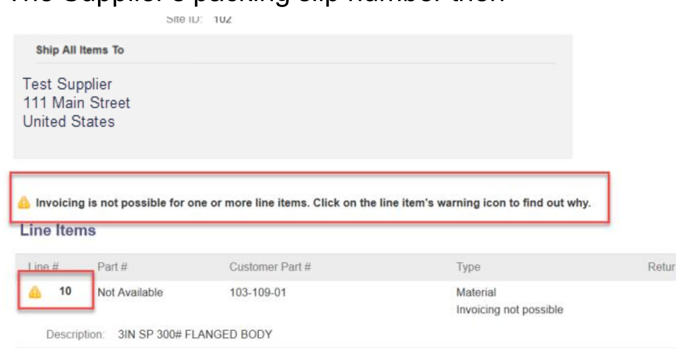
Payment is scheduled per applicable terms (same process as we use for paper or electronic invoices) but the amount is calculated using the receipt quantity and Baker Hughes’s purchase order (PO) unit price at time of receipt.

How does it work?

The supplier validates the PO information and ships product <u>knowing the PO price is what will be paid</u>. The ERS process matches the Receipt and PO information to generate a payment voucher, eliminating the need for a paper or electronic invoice. The Supplier’s packing slip number then becomes their invoice number on remittance advice.

What is the scope?

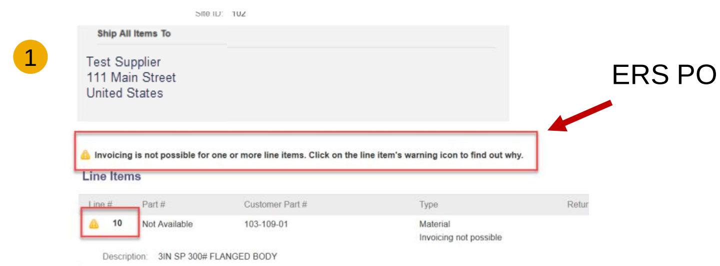
ERS is only applicable if the ERS flag is listed on a PO. Any questions regarding ERS should be directed to the buyer contact. ERS invoices will be handled outside of Ariba.

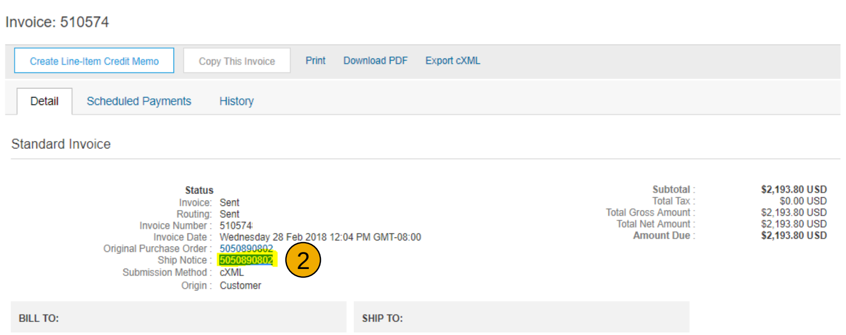


ERS Invoices – Automatically generated

1. ERS Invoices are <u>automatically generated by the Receipt</u>
2. Use your Packing Slip ID as your Invoice number for your internal records

Note: Invoicing will be handled outside of Ariba.

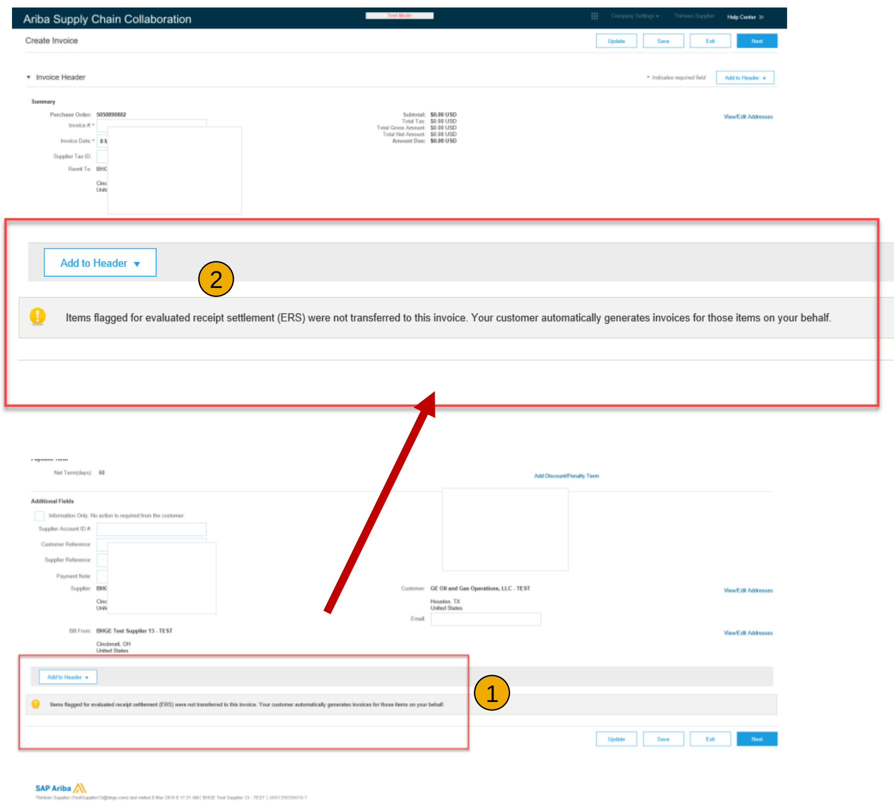




ERS Invoices – Automatically generated – continued

ERS Invoices are <u>automatically generated by the Receipt</u>

1. If “Create Invoice” is accidentally selected for an ERS PO
   a) There will be no line items to invoice
   b) There will be the message on the Invoice Form that explains that there will be an automatically generated ERS invoice.



“Copy This Invoice”

- **Copy Invoice Feature:**
- Suppliers can copy an existing invoice to use as a basis for a new invoice. The copy includes all fields except the invoice date, invoice number, exchange rate, and attachments. The supplier can edit and submit the new invoice without having to reenter a lot of information. This feature applies to standard invoices and contract-based invoices. Invoices can be copied regardless of status.

Common uses for this feature include:

- Submitting invoices for a balance due
- Submitting corrected invoices in cases where the first attempt was rejected

Enabling This Feature

- This is an out-of-the-box feature available to all customers. It requires no action to configure it.

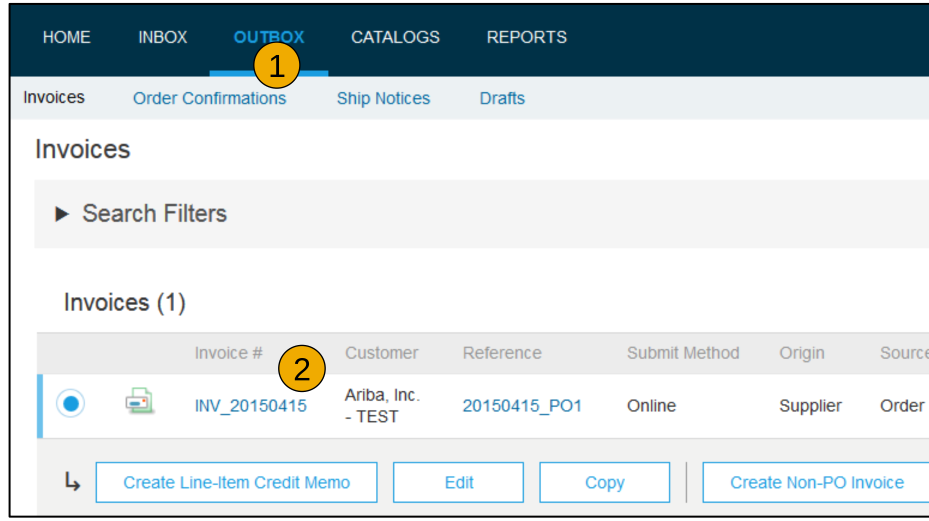
Limitations

- You cannot copy the following:
- Credit memos and line-level credit memos
- Self-signed invoices (invoices that are digitally signed by the supplier)
- Invoices with 1000 or more invoice lines

How to Copy this Invoice

To copy an existing invoice in order to create a new invoice:

1. Select the "**OUTBOX**" Tab
2. Either Select the radio button for the invoice you want to copy, and click Copy. OR Open the invoice you want to copy.
3. On the "**Detail**" tab, click **Copy This Invoice**.
4. Enter an invoice number.
5. For VAT lines, make sure the date of supply at the line level is correct.
6. Edit the other fields as necessary.
7. Click Next, review the invoice, and save or submit it.



5. Creating non-PO Invoices

Non-PO Invoicing

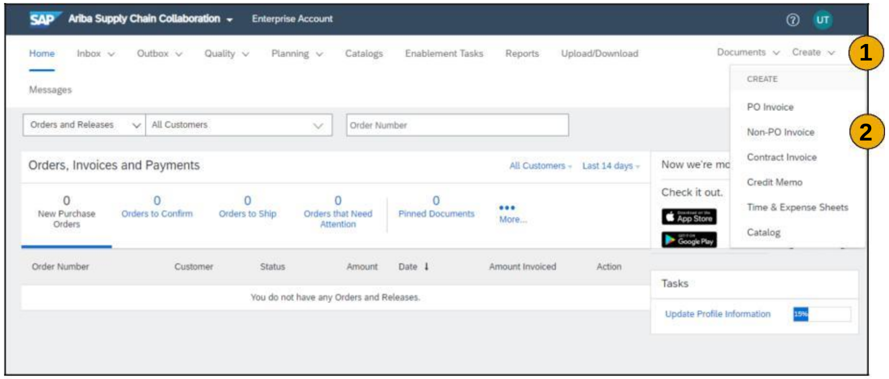
Copy and Existing Invoice

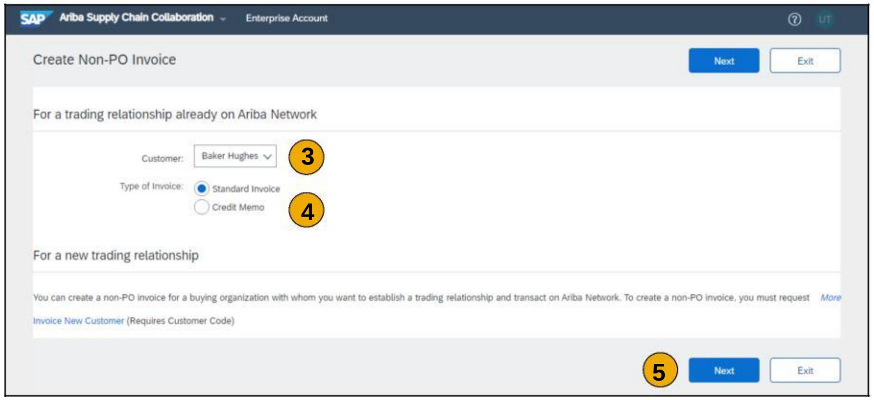
Invoice Without a Purchase Order

Non-PO Invoice

To create an invoice without a PO:

1. **Select** the Create menu
2. **Select** Non-PO Invoice
3. **Select** your **Customer** from the dropdown menu
4. **Select Standard Invoice**
5. **Click Next**





Note: If you do not see Baker Hughes in the Customer drop down, contact Supplier.Enablement@BakerHughes.com

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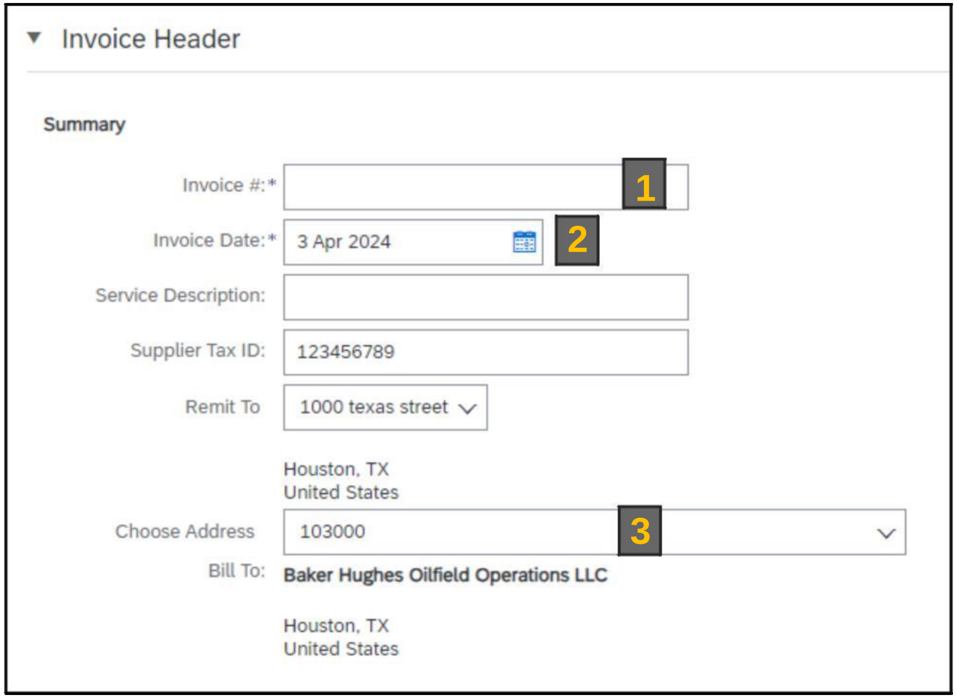
Invoice Without a Purchase Order
Non-PO Invoice

1. Enter invoice number without any special characters or space.
2. Select invoice date matching to the invoice date on your actual invoice copy.
3. Then in Choose address list , select correct Bill To entity from the Bill to drop down list to send your invoice to correct Baker Hughes entity. If you do not find correct entity name in Bill To list then please email to supplier.enablement@bakerhughes.com.

Selection of correct Bill To name is very important step.



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Invoice Without a Purchase Order

Non-PO Invoice

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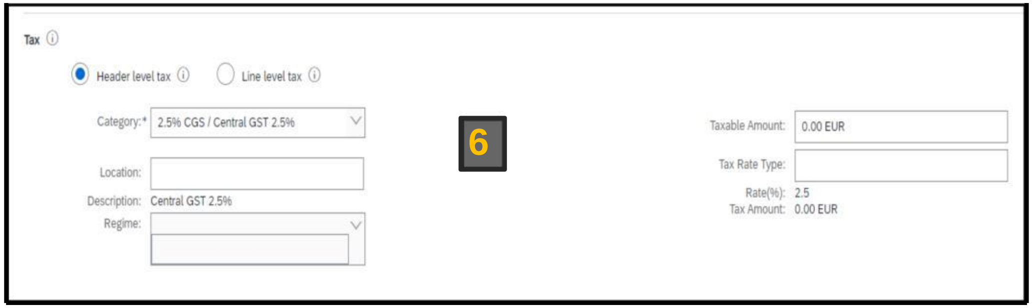
5. **Leave order information section blank.**

6. **Then in tax section, select correct tax category from category drop down and enter Tax Rate % and amount.**

7. **No changes needed in Shipping section**



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Invoice Without a Purchase Order

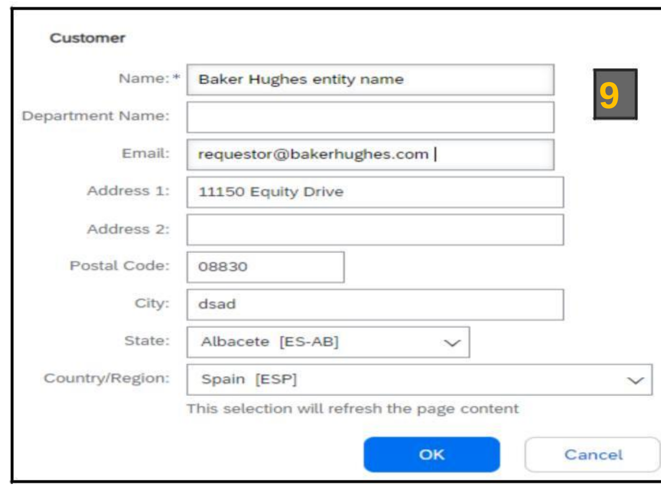
Non-PO Invoice

CONTINUED…

8. In additional fields section, click on "View / Edit Addresses"

9. On Customer details, please fill in Baker Hughes entity full name and address details

10. On email field, please add your Baker Hughes requestor's email id . This is mandatory field. If you leave this blank then your invoice will be rejected by Ariba. .



Invoice Without a Purchase Order

Non-PO Invoice

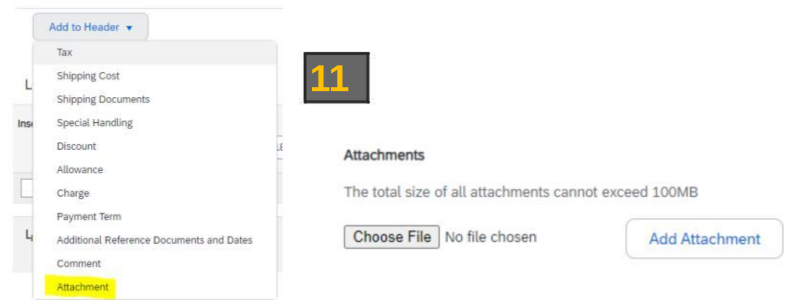
CONTINUED...

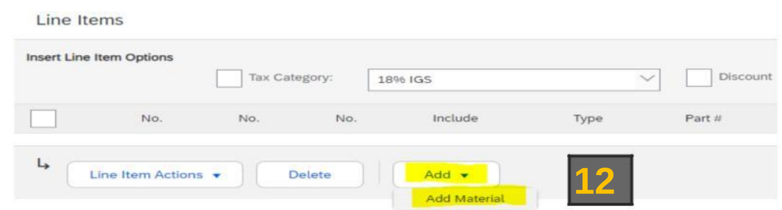
11. **Click the Add to header drop down and click on attachment to upload original invoice copy in Ariba. This will add new section on page to browse the invoice copy by clicking on choose file . Then click on add attachment to attach original invoice in Ariba.**

12. **Then click on “Add” and click on “Add Material” to add line item in invoice.**

13. **In the line detail, add line number, Description, quantity, unit as “EA” and unit price with required currency.**

14. **Repeat step 12 to add more lines. After all lines are added click on update button at the bottom and verify total on top.**





Invoice Without a Purchase Order

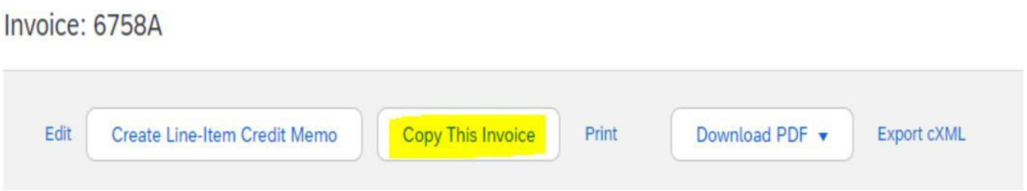
Non-PO Invoice

CONTINUED…

15. After you submit first NON PO invoice, you can easily copy other invoices from this invoice.

16. For this, go to invoices menu in Ariba portal and click on invoices. Look for any recent NON PO invoice in the list and click on one of the invoice numbers to open that invoice.

17. It will show button called as “Copy this invoice” as below. Click on this button to get all NON PO details pre filled.



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6. Creating PO Credit Memo

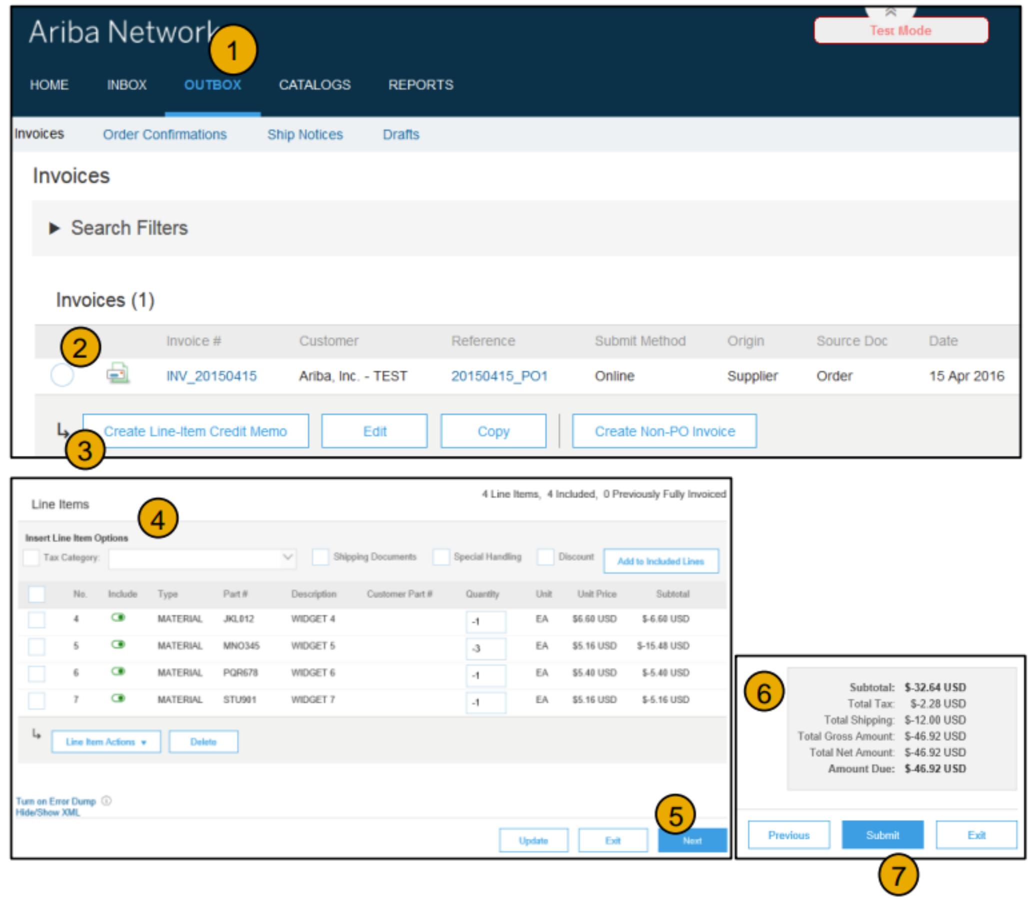
Creating a Credit Memo (Line Level Only when allowed)

Create a PO related Credit Memo

Line level Detail

To create a line level credit memo against a PO-based invoice:

1. **Select** the “**OUTBOX**” Tab
2. **Select** hour previously created invoice.
3. **Click** the button on the Invoice screen for **Create Line-Item Credit Memo**.
4. **Complete** information in the form of Credit Memo (the amount and taxes will automatically be negative). Make sure that all required fields marked with asterisk (*) are filled in.
   - **Note:** Suppliers are required to provide a Reason for every Credit Memo
5. **Click Next.**
6. **Review** Credit Memo.
7. Click Submit.



7. Creating non-PO Credit Memo

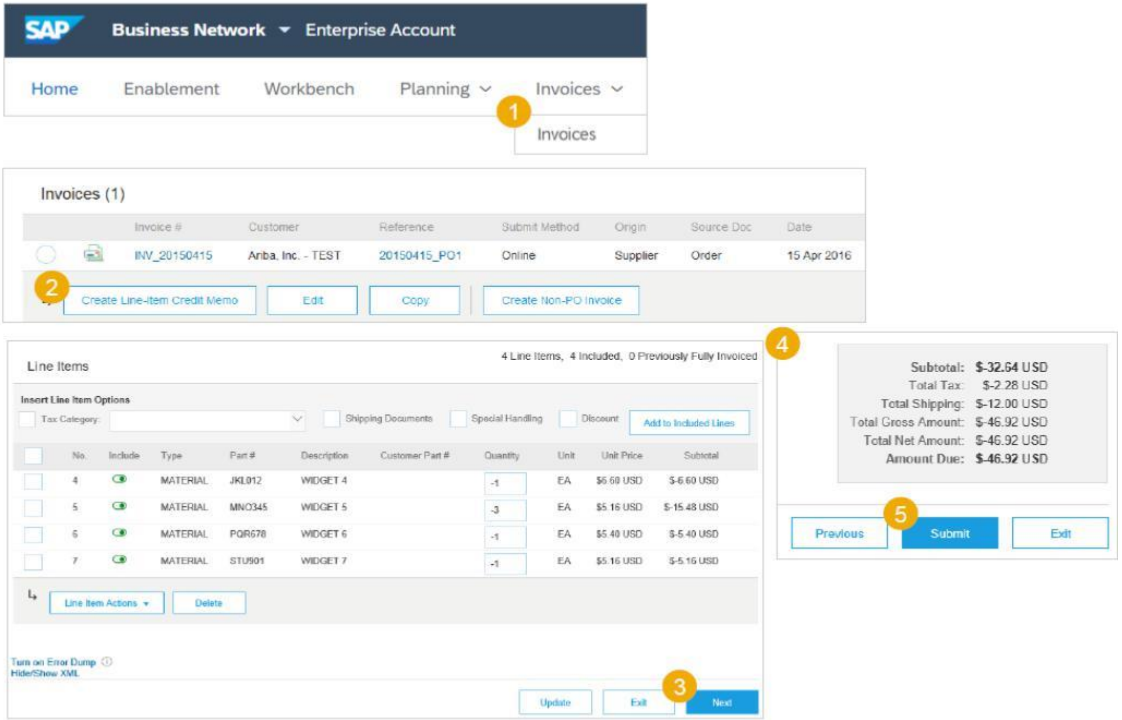
Creating a Credit Memo (Line Level Only when allowed)

Create a non-PO Credit Memo

To create a line level credit memo against a non-PO invoice:

From the Homepage:

1. Click Invoices/ Invoices.
2. Identify the right invoice document and click **Create Line-Item Credit Memo**.
3. Complete information in the form of Credit Memo (the amount and taxes will automatically be negative). Make sure that all required fields marked with asterisks (*) are filled in. Click **Next**.
4. Review Credit Memo.
5. Click **Submit**.

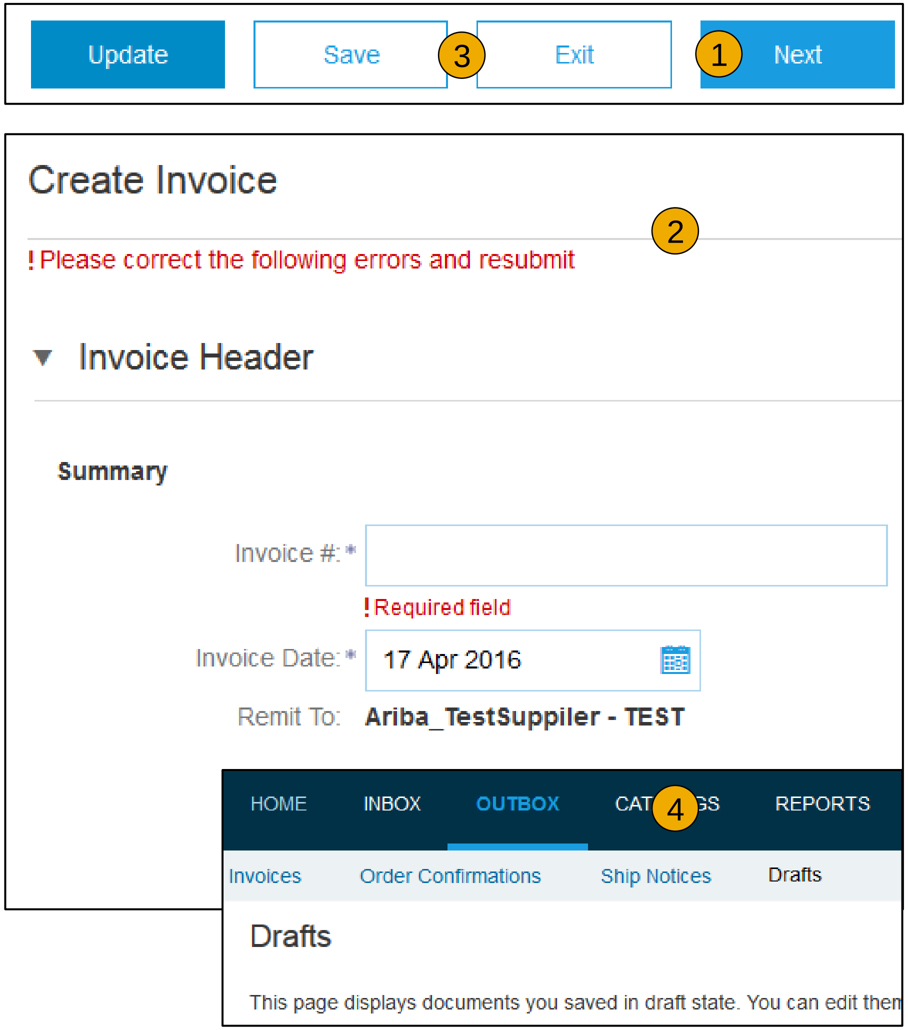


8. Modifying Invoices

PO Flip Invoice – Review, Save, Submit

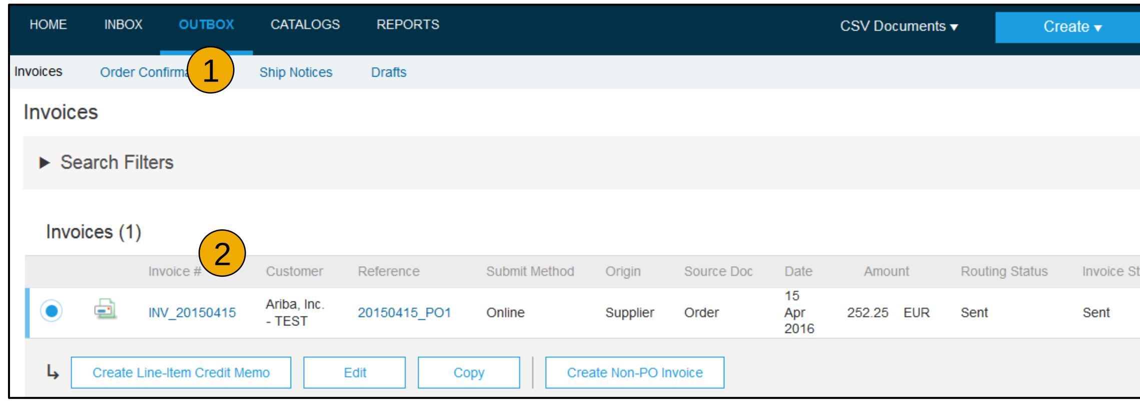
1. Review your invoice for accuracy from the Review page. Scroll down the page to view all line item details and invoice totals.
2. In case of any errors, you will get a notification in red where information should be corrected.
3. If no changes are needed, click Submit to send the invoice to Baker Hughes,
   If changes are needed, click Previous to return to previous screens and make corrections before submitting.
   Alternatively, Save your invoice at anytime during invoice creation to work on it later.
4. You may resume working on the invoice by selecting it from Outbox> Drafts on your Home page.

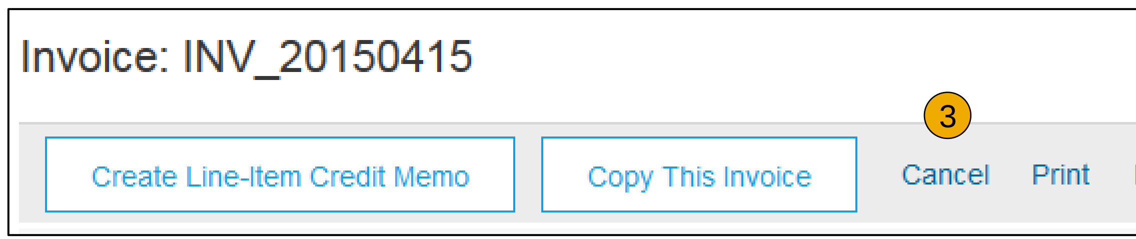
   Note: You can keep draft invoices for up to 7 days.

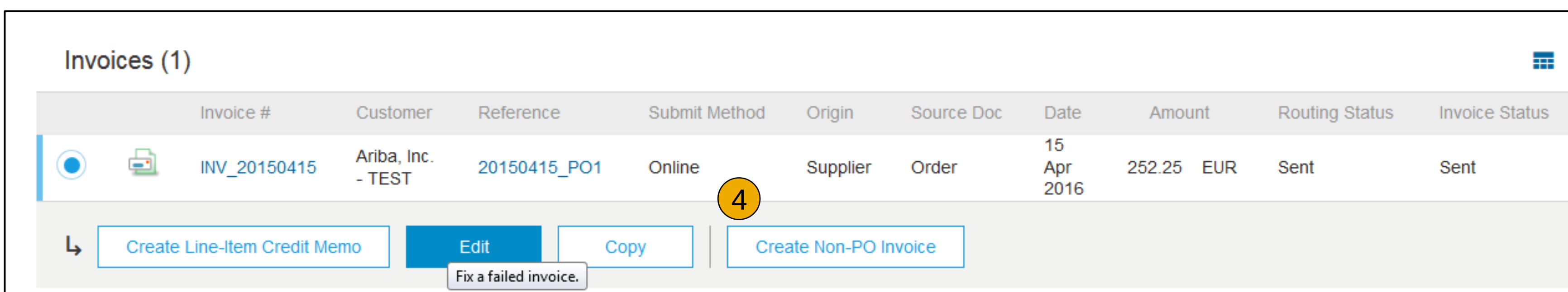


Cancel, Edit and Resubmit Invoices

1. Select the “OUTBOX” tab.
2. In the Invoice # column, click the invoice link to view details of the invoice.
3. Click **Cancel**. The status of the invoice changes to “Canceled.”
4. Click the Invoice # for only failed invoice that you want to resubmit and click **Edit**.
5. Click **Submit** on the Review page to send the invoice.







9. Document Status, Searches, and Reports

Check Invoice Status

Check Status:

If you configured your Invoice Notifications as noted earlier in this presentation, you will receive emails regarding invoice status.

You can also check invoice status from the **Outbox** by selecting the invoice link.

Routing Status

Reflects the status of the transmission of the invoice to Baker Hughes, via the SAP Business Network.

- **Obsoleted** – You canceled the invoice
- **Failed** – Invoice failed Baker Hughes, invoicing rules. Baker Hughes, will not receive this invoice
- **Queued** – SAP Business Network received the invoice but has not processed it
- **Sent** – SAP Business Network sent the invoice to a queue. The invoice is awaiting pickup by the customer
- **Acknowledged** – Baker Hughes, invoicing application has acknowledged the receipt of the invoice

Check Invoice Status

Invoice Status

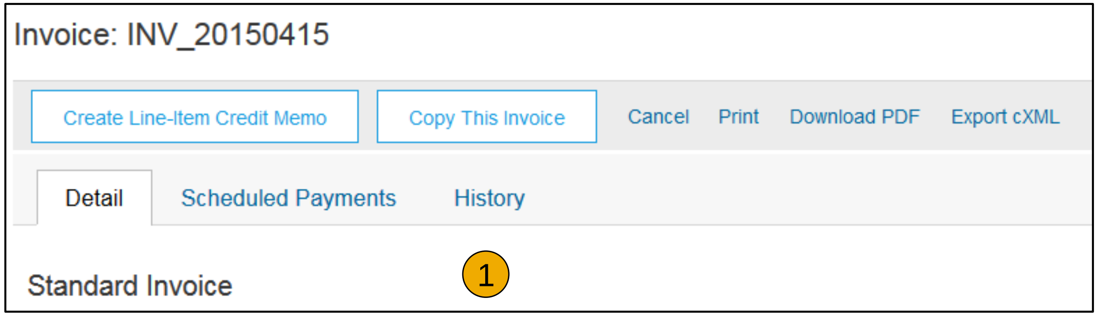
Reflects the status of Baker Hughes, ’s action on the Invoice.

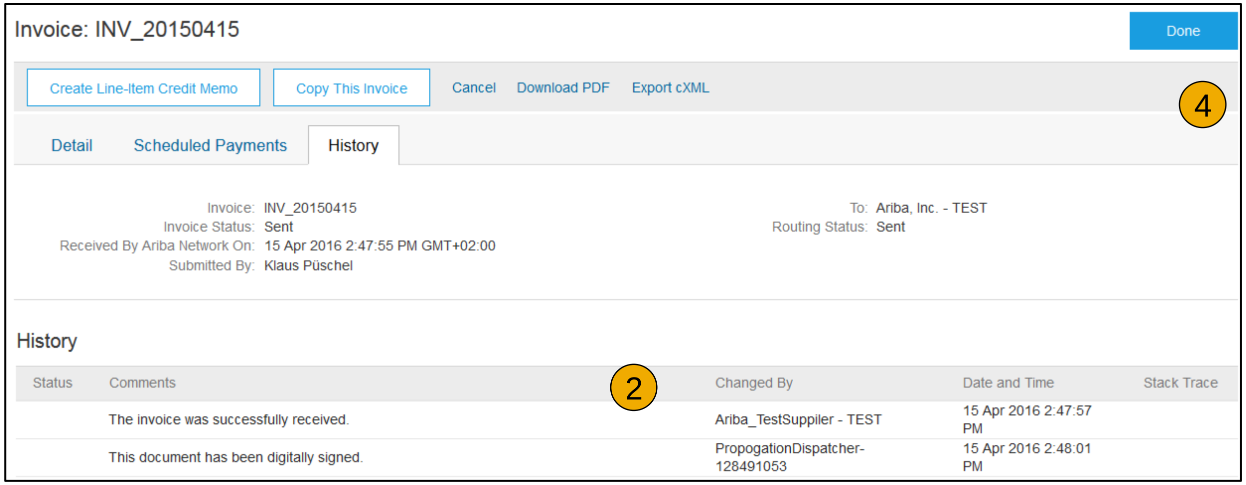
- **Sent** – The invoice is sent to the Baker Hughes, but they have not yet verified the invoice against purchase orders and receipts
- **Cancelled** – Baker Hughes, approved the invoice cancellation
- **Paid** – Baker Hughes, paid the invoice / in the process of issuing payment. Only if Baker Hughes, uses invoices to trigger payment.
- **Approved** – Baker Hughes, has verified the invoice against the purchase orders or contracts and receipts and approved if for payment
- **Rejected** – Baker Hughes, has rejected the invoice or the invoice failed validation by SAP Business Network. If Baker Hughes, accepts invoice or approves it for payment, invoice status updated to Sent (invoice accepted) or Approved (invoice approved for payment)
- **Failed** – SAP Business Network experienced a problem routing the invoice

Check Invoice History

Access any invoice:

1. **Click** on the History tab to view status details and invoice history.
2. **History and status comments** for the invoice are displayed.
3. **Transaction history** can be used in problem determination for failed or rejected transactions.
4. **When you are done** reviewing the history, click Done.





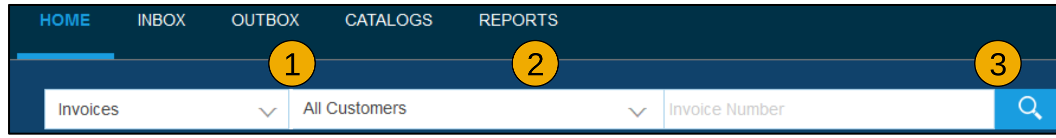
Search for invoice - Quick Search and Refined Search

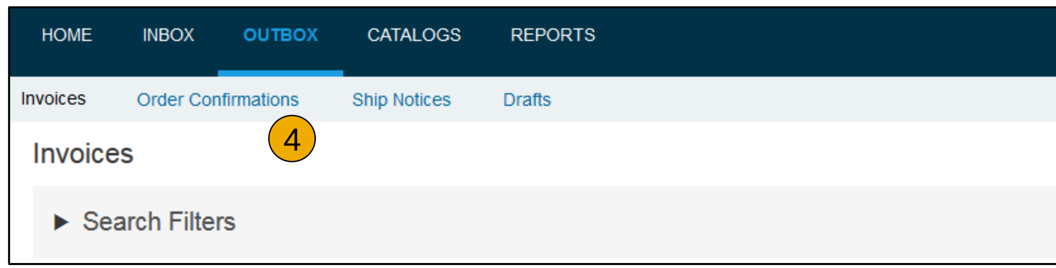
Quick Search:

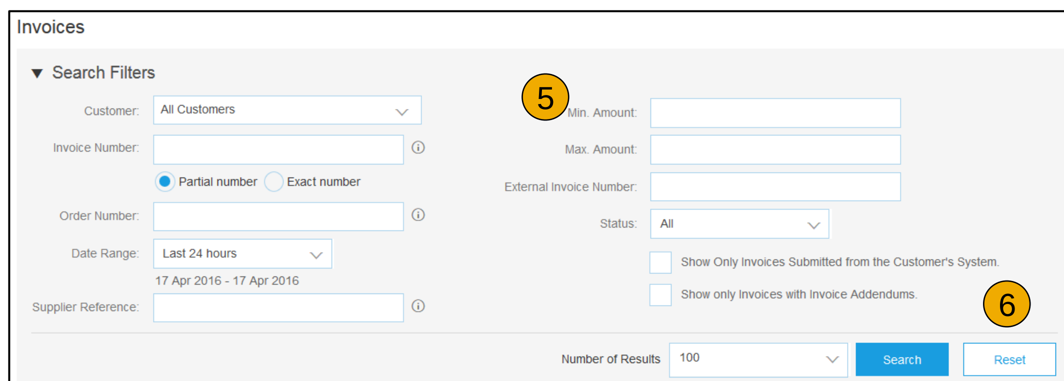
1. **From the Home Tab,** Select Invoices in the Document type to search,
2. **Select** Baker Hughes, from Customer Drop down menu**.**
3. **Enter** Document # , if known. Select Date Range, up to 90 days for Invoices and Click Search.

Refined Search: Allows a refined search of Invoices within up to 90 last days.

4. **Search** Filters from Outbox (Invoices).
5. **Enter** the criteria to build the desired search filter.
6. **Click** Search.







Search for invoice - Reports

Invoice reports provide information on invoices you have sent to customers for tracking invoices over time or overall invoice volume for a period of time.

Failed Invoice reports provide details on failed and rejected invoices. These reports are useful for troubleshooting invoices that fail to route correctly.

Note: Reports can be created by Administrator or User with appropriate permissions.

1. **Click** the Reports tab from the menu at the top of the page.
2. **Click** Create. Fill in required Information. Select an Invoice report type — Failed Invoice or Invoice.
3. **Click** Next.

Note: Select (and higher) members may choose Manual or Scheduled report. Set scheduling information if Scheduled report is selected. After specifying Customer and Created Date in Criteria click Submit. You can view and download the report in CSV format when its status is Processed.

For more detailed instructions on generating reports, refer to the SAP Business Network Transactions Guide found on the HELP page of your account.