ePRO
ELECTRONIC INVOICING

Moving from paper to electronic invoicing can offer many benefits including quicker payments, real-time information, and improved cash management. Implementing an electronic invoicing process can be cumbersome though, especially when dealing with multiple buyers (if you are a supplier) and multiple suppliers (if you are a buyer). ReactorNet eliminates these challenges by offering a streamlined process to achieving e-invoicing simply by extending the existing ReactorNet purchasing process.

Understanding the Electronic Invoice Process

The ReactorNet e-invoicing process is triggered by a combination of settings in both the buyer's and supplier's system account. In order for the e-invoicing process to be complete, both parties to the invoice must coordinate their settings. In general, the invoice presentation process involves capturing invoice data from the supplier and, after processing, presenting that data to the buyer. Invoice data can be captured through an interface file or can be entered utilizing the browser user interface. Either option allows the invoice to be presented to the buyer electronically. The figure to the right illustrates the basic process flow for an electronic invoice.
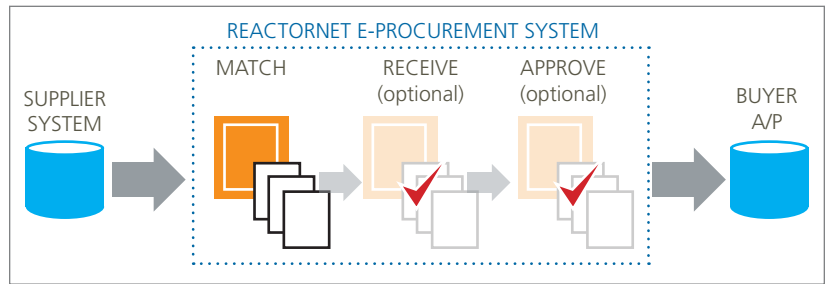

FIGURE 1: REACTORNET ELECTRONIC INVOICE PROCESS

Invoice Matching & Configuration

When your ReactorNet system receives invoice data, the data is matched to the original purchase order using a 3-point matching system. This ensures a high level of data integrity for the invoice process. Once matched, the system processes the invoice data according to preferences configured by the buyer. For example, the buyer may require that a receiving entry acknowledging delivery of the products or services be made by the recipient prior to authorizing the invoice for payment. Additionally, the buyer may require the unit pricing on the invoice be compared to the pre-established online agreement. This allows the buyer to approve invoices faster. There are many additional settings allowing the buyer to customize the invoice presentation process with great flexibility according to its unique policies.

3-point Invoice Matching

The ReactorNet E-Procurement System allows for 3-Way Matching on all invoices. This way, you can be ensured that all invoices are validated against the original purchase order and the shipping and receiving information prior to it being posted to Accounts Payable. Furthermore, the system includes quantities and unit pricing in the comparison.

Electronic Invoicing Business Requirements

The ReactorNet system depends on the following requirements for electronic invoicing to function properly.

- **Required Data Fields:** ReactorNet has required fields (see side panel) for the electronic invoice process. Where a field is not available, or applicable, the implementation will assume a default value that must be agreed to by both parties.
- **Tax Handling:** The sales tax rate, or any other rate used to calculate a subtotal, must be provided. Any subtotal amount included in the interface must be accompanied by the original rate utilized to calculate the subtotal amount.
- **Credits:** In order for credits to be processed, the original invoice must have already been processed in the system or exist in the same file as the credit memo data. Where the invoice number being credited is not available, a rule may be established at implementation to determine the most appropriate means of associating the credit with an invoice.

Acknowledgements

ReactorNet encourages the use of acknowledgements for electronically transmitted data. This extra step ensures that data transfered reaches its destination. Typically, acknowledgements are incorporated into the process by utilizing electronic file transfers; however, a periodic review of system reports can also be utilized to confirm the progress of an invoice.

Implementation

Because every supplier has unique ways of servicing its clients, each invoice implementation is customized. The invoice implementation is a collaborative effort. A ReactorNet Account Services representative will be available to help organize and guide the project.

Required Invoice & Credit Data

The following data is required for electronic invoices:

Invoices	**Credits**
Invoice Number	Credit Number
Invoice Date	Credit Date
Purchase Order Number	Invoice Number being Credited
Ship To Account Number	Ship To Account Number
Ship To Address	Ship To Address
Bill To Account Number	Bill To Account Number
Bill To Address	Bill To Address
Sales Tax Rate	Sales Tax Rate
Freight Amount	Freight Amount
Tax on Freight Flag	Tax on Freight Flag
Shipping and Handling Amount	Shipping and Handling Amount
Tax on Shipping or Handling Flag	Tax on Shipping or Handling Flag
Item Number	Item Number
Item Invoice Quantity	Item Credit Quantity
Item Unit Price	Item Unit Price
Item Tax Flag	Item Tax Flag

About ReactorNet Technologies

ReactorNet Technologies is a premier provider of hosted and managed Software-as-a-Service e-procurement solutions. The company's collaborative and customizable software drives greater productivity, spending control and compliance in customers' procurement operations, without incurring additional investments in hardware and software. ReactorNet Technologies supports over $100 million in annual spend-under management for buyers and suppliers nationwide, enhancing profitability for companies of all sizes in virtually any industry. **For additional information, visit www.reactornet.com**.

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