SIS Webinar
#02-2020

Miscellaneous Billings
Best Practices

Presenters:
Bruno Roussel; Senior Manager, Airline Partner Payment Services Community; IATA
Azadeh Kordestani; Manager Operations and Onboarding, Industry E-Invoicing; IATA

Featured Presenters:
Rob Huijsman; Director KLM Accounting Services & SIS SG Chair; KLM
Monika Kolos-Lembas; Senior Process Architect; Lufthansa
Welcome

Robert Huijsman
Director KLM Accounting Services
SIS Steering Group Chairman
Agenda

- Benefit of ‘Location ID’ for routing the invoices to a selected destination
- Recommended way to declare TAX and VAT in SIS Miscellaneous invoices
- Benefit of ‘Payment status update’ For both Billing and Billed members
- Dispute Management in SIS
- Importance of data quality for receiving party
- Q&A
Benefit of ‘Location ID’ for routing the invoices to a selected destination
Some members have decentralized their operations.

Some members have different geographically locations in different countries or cities.
Default Location for MISC Payables Original Invoices/Credit Note (billed party overriding)

Billed Members can direct the received MISC Original Invoice/Credit Note to a default ‘Location ID’

<table>
<thead>
<tr>
<th>Billed Member’s Location ID</th>
<th>Billed Member’s Location ID set up</th>
<th>Current System Behavior</th>
</tr>
</thead>
</table>
| Not Provided                | Country defaulted                 | • SIS assumes Billed Member’s Location ID as “the local one”  
                                 |                                   | • SIS populates the Reference Data of the Location “Local one” |
| New!                        | Not Provided                      |                         |• SIS assumes Billed Member’s Location ID as defined in the member profile  
                                 | Supplier defaulted               | • SIS populates the reference data from the chosen location ID defaulted |
Default Location for MISC Payables Original Invoices/Credit Note

Member Profile

Manage Member

Default Location for MISC Payables Original Invoices and Credit Notes

Billing Member Specific Default Location

<table>
<thead>
<tr>
<th>Actions</th>
<th>Member Designator Code</th>
<th>Member Accounting Code</th>
<th>Member Name</th>
<th>Default Location</th>
<th>Added On</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>XIB</td>
<td>468</td>
<td>IATA GENEVA (EUR)</td>
<td>2-Montreal-CA</td>
<td>08-Jun-20 21:26</td>
</tr>
</tbody>
</table>

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Miscellaneous Billings Best Practices
An Airline view

❖ This do not require the supplier to provide location ID
❖ Require super user to do the set up in SIS
❖ Mitigate the risk of duplicate invoice processing to central and local company Code
❖ Automatic invoice process allocation
❖ Prerequisite for next automation possibilities for posting process
Poll Question # 1

How can you route an invoice to the specific Location ID?

- By creating a Location ID and ask the supplier to provide it in the invoice
- By creating and assigning it as a country default Location ID in the ‘Member Profile’
- By creating and assigning it a specific supplier default location ID in the ‘Member Profile’
- All of the above options
Recommended way to declare TAX and VAT in SIS Miscellaneous invoices
Report on invoice TAX and VAT at header or line item only

- VAT or TAX differ per invoice line
  Information should be provided to the line item corresponding

- VAT or TAX applicable to the full invoice
  Information should be provided at the header level as the full invoice follow the same tax treatment

- VAT or TAX should be reported to the level applicable

Follow this process this reduce rounding issues, and this is also applicable for discount!
Poll Question # 2

What is the recommended level to report TAX and VAT in an invoice?

- Invoice Header Level
- Invoice Header or Line Item Level (Correct)
- Line Item or Line Item Detail Level
- Only Line Item Detail Level
Benefit of ‘Payment status update’ For both Billing and Billed members
Lack of visibility of where an invoice is in the billed member’s workflow and its current status (e.g. was the invoice approved by the finance department, was the invoice amount disputed, etc.)

It is not always clear which invoice(s) are being paid with a received transfer.

Tracking of invoice payments is not simple and this complexity increases with the a larger number of customers and invoices.

Payment received was less than the invoice amount as bank fees are deducted at the time of the bank transfer. This results in a partial payment being applied.
‘Payment status update’ benefits

**Reduce Interactions**
It reduces or avoids interactions between billing and billed parties (query on invoice reception, status, payment reconciliation)

**Increase Transparency**
It provides a huge benefit for suppliers to get visibility in one place of all invoice processing (validation and payment) during airlines review

**Facilitate Payments Reconciliation**
Reconciliation of payment is facilitated, speeds up the processes and increase efficiency.

**Update Invoice Status**
If a supplier updates the status, an airline can see whether the invoice is already paid or overdue, airline and supplier collaborate in sharing this information systematically
‘Payment status update’ Feature

Who can update payment statuses?

How to update payment statuses?

Are there any Alerts?

Are there any Outputs?
The Billing Member can setup auto reminders to be sent by the system to the Billed Member for overdue invoices.

The email alert is sent daily to the email address assigned as the new ‘MISC - Bilateral Payment Overdue’ contact in the Member Profile of the Billed Member.

If a contact is not defined, then SIS sends the email alert to all active Super Users of the Billed Member.
MISC Bilateral Payment Overdue contact – Member Profile Setup

1. Home >> Profile and User Management >> Manage Member Profile
2. Member Profile
3. Manage Member
   - Member Details
   - Locations
   - Contacts
   - e-Billing
   - Passenger
   - Cargo
   - Miscellaneous
   - UATP
   - ICH
   - ACH
4. Search Existing Contacts
   - First Name:
   - Last Name:
   - Email ID:
5. Search
6. All Contact Assignments
   - Search Criteria
     - Group: Billing Category Spec
     - Subgroup: MISC
     - Type: International
7. Search
8. Save

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Miscellaneous Billings Best Practices
List of Payment Status as per Billing and Billed Member

<table>
<thead>
<tr>
<th>Billing Member</th>
<th>Billed Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Credit Applied</td>
<td>➢ Under Review</td>
</tr>
<tr>
<td>➢ Erroneous Invoice Do not Pay</td>
<td>➢ Dispute Under Review</td>
</tr>
<tr>
<td>➢ Partial Payment Accepted</td>
<td>➢ Dispute Accepted</td>
</tr>
<tr>
<td>➢ Full Payment Received</td>
<td>➢ Dispute Rejected</td>
</tr>
<tr>
<td>➢ Overdue Payment</td>
<td>➢ Partial Payment Accepted as per Dispute</td>
</tr>
<tr>
<td>➢ Status Correction Payment Not Received</td>
<td>➢ Partial Payment Disputed</td>
</tr>
<tr>
<td></td>
<td>➢ Partial Payment Outstanding</td>
</tr>
<tr>
<td></td>
<td>➢ Paid in Full</td>
</tr>
<tr>
<td></td>
<td>➢ Disputed</td>
</tr>
<tr>
<td></td>
<td>➢ Approved</td>
</tr>
<tr>
<td></td>
<td>➢ Paid as per Dispute</td>
</tr>
<tr>
<td></td>
<td>➢ Sent for Payment</td>
</tr>
<tr>
<td></td>
<td>➢ Partially Paid as per Terms</td>
</tr>
<tr>
<td></td>
<td>➢ Partially Paid</td>
</tr>
</tbody>
</table>
An Airline view

- Reduce queries from suppliers with payment reminder
- Transparency and cooperation over invoice lifecycle
- Design for system integration

Monika Kolos- Lembas
Senior Process Architect, Lufthansa
Poll Question # 3

SIS will send a past due notice email for a MISC Bilateral invoice to …?

- ‘MISC - Bilateral Payment Overdue’ contact of the Billed Member
- ‘MISC - Bilateral Payment Overdue’ contact of the Billing Member
- ‘MISC – Payables Payment Status Updates’ contact
- ‘MISC – Receivable Payment Status Updates’ contact
Dispute Management in SIS
Main usage of SIS Dispute Management for MISC Bilateral Invoices

- Facilitate Dispute Resolution
  It simplifies and speeds up the process of resolving a dispute between billing and billed parties.

- Increase Transparency
  It gets visibility to both billing and billed parties about disputed items and the dispute reasons and evidences.

- Facilitate Reconciliation of Disputed Amount
  Reconciliation of disputed amount after reaching to an agreement on dispute is done faster and more efficient.

- Increase Traceability
  It increases the capability to trace an Item across the dispute process from an Original Invoice to Dispute to the Credit Note.
High-Level Process Map of SIS Dispute Management – Part 1

From Member of Dispute

- Initiate/Reply a dispute
- Attach Supporting Doc (Optional)
  - via IS-WEB (stage >=1)
  - via file (only stage =1)

OR

- Mark for Review
- Send for Review

- Add Remarks with Reviewer
- Mark Review Completed

Send the Dispute

To Member of Dispute

- Select status of disputed item(s)
- Attach Supporting Doc (Optional)

OR

- Mark for Review
- Send for Review

- Add Remarks with Reviewer
- Mark Review Completed

Reply to Dispute

Go to Part 2
High-Level Process Map of SIS Dispute Management – Part 2

From Member of Dispute

- Reply to Dispute
  - Accepted by Billed Member
  - No Response within time limit
    - Expired End
    - Settled End
  - Reject & Go to the next stage of Dispute

To Member of Dispute

- Send the Dispute
  - All disputed items are ‘Rejected’ or ‘Partially Accepted’
    - Issue the Credit Note
      - At least one disputed item is ‘Partially Accepted’
        - Issue the Credit Note
      - All disputed item ‘Accepted’
        - Issue the Credit Note
  - All disputed items are ‘Rejected’
    - Issue the Credit Note
  - Response within time limit?
    - Yes
      - Part 1
    - No
      - Expired End

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How does a member can raise a dispute in SIS?

- Upload a dispute input file including disputes items
- Raise a request via Customer portal in Dispute category
- Upload a dispute input file or dispute via login to IS-WEB
- Dispute an invoice via login to IS-WEB and attach necessary supporting document
Importance of data quality for receiving party
Data Quality Issues

- **Inadequate data**: Invoice with only one Line Item.
- **Wrong Invoice Type**: Capturing an Invoice instead of a Rejection Invoice.
- **Incorrect data**: Selecting incorrect Charge Category, Charge Code or Charge Code Type.
- **Unclear data**: Unclear or incomplete description at Line Item or Line Item Detail level.
- **Quality of Supporting Document**: Bad scanned or Long and not informative supporting documents.
- **Non-Alignment of items**: Mismatch of number of Line Items or Line Item Details between SIS invoice and attached Supporting Doc.
- **Non-Alignment of data**: Mismatch of Line Item or Line Item Detail data (e.g. Quantity, Unit Price, etc.) between SIS invoice and attached Supporting Doc.
- **Substitution value**: Using dummy or substitution value for Invoice Mandatory fields.
SIS Data Quality Process

1. Identify the data quality issue
2. Root-Cause analysis
3. Propose the possible solution to the data owner
4. Monitor the corrective action
An Airline view

- Incorrect charge code
- Incorrect airlines invoiced
- Attachment are provided outside of SIS
- Description of service aren’t precise enough
- ICH invoice aren’t as good as bilateral one
- Place of service differs from invoice and supporting information

Monika Kolos- Lembas
Senior Process Architect, Lufthansa
Poll Question # 5

What are the common data quality issues in SIS?

- Inadequate, incorrect or unclear data
- Non-Alignment of items or data
- Quality of Supporting Document or Using dummy or substitution value for Invoice Mandatory fields
- All of the above options
Links of Guidance Documents for this webinar:

- SIS Dispute Management Guidance
- Payment Status Update Guidance
- Payment Status Video
- Location ID Guidance
- Location ID Video

More information on SIS Website: [www.iata.org/SIS](http://www.iata.org/SIS)

'SIS For Airlines' or 'SIS For Suppliers' >> 'Documents' tab
Questions
Comments
Feedback

Thank you!