# Invoice Process Business Process Guideline

Below is the Business Process Diagram illustrating the Seller-initiated Invoice transaction process, modified from the version originally defined by the ComProServ project. This is not the only method by which the process may occur, however, it represents a primary process. Intermediaries, including routing hubs and/or networks, may be involved if necessary.

Current document flow:
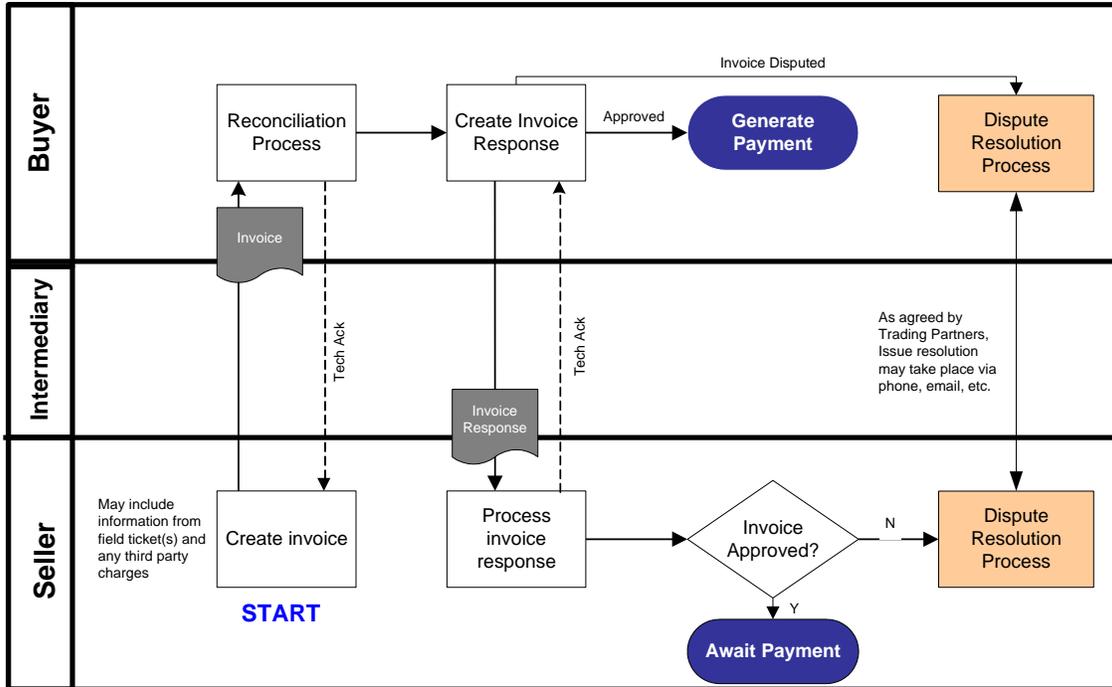
Proposed additional document flow:
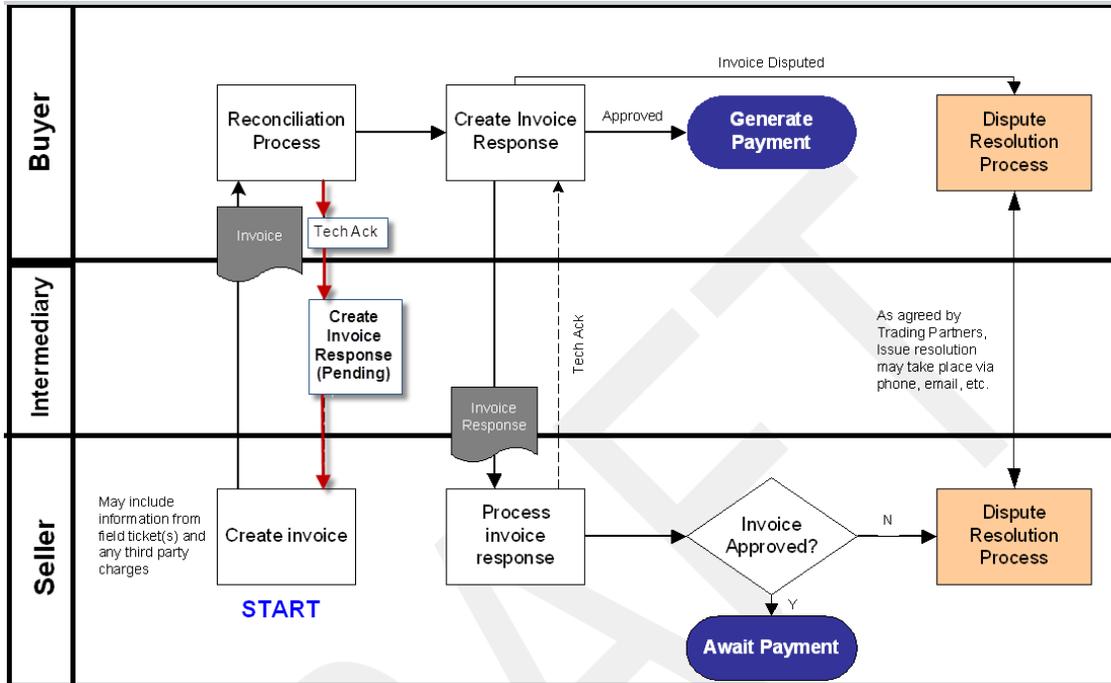
Process Model - A Seller creates an invoice using information from one or many field tickets and third party charges, if applicable. The invoice is sent to the Buyer. The Buyer reconciles the invoice and creates an invoice response to accept or dispute the Invoice. If the Buyer disputes the Invoice, Trading Partners will resolve issues and continue process as appropriate according to mutually agreed dispute resolution procedures.

The Invoice Response message refers to Invoice data and is transmitted by buyer to seller to indicate that the invoice has been approved for payment or that there is a problem and the invoice will not be processed until an appropriate dispute resolution process has been completed. Invoice Response should be sent within time frame agreed to by Trading Partners. In addition, Technical Acknowledgments should be returned in the time frame specified by Trading Partners.

Use Case: Correct Invoice

Business process name	Correct Invoice
Identifier	PIDX XML Invoice and Invoice Response
Actors	Buyer, Seller Intermediary may be involved
Definitions	***Trading Partner:*** The Buyer or Seller ***Intermediary:*** Organization between Trading Partners that may handle routing and/or act on behalf of Trading Partner at different stages in the business process workflow ***Routing Hub:*** Intermediary that routes messages but does not participate in business process workflow. ***Network:*** Intermediary that acts on behalf on buyer or seller and is a participant in the business process workflow. ***Invoice Response:*** The Invoice Response message refers to Invoice data and is transmitted by buyer to seller to indicate that the invoice has been approved for payment.
Description	Seller issues invoice for products/services delivered. Buyer Invoice reconciliation process concludes and payment is approved.
Pre-condition	The Seller has provided goods or services according to the conditions set in the contract and/or order. The Buyer has received the goods or services.
Post-conditions	Invoice will be paid.
Scenario	The supplier provides goods or services to the customer. Based on the agreement of the point of invoicing between the parties, the Seller will generate the invoice for the goods or services delivered. The Buyer checks the invoice for accuracy. Upon conclusion of reconciliation process, Buyer issues Invoice Response to accept/approve invoice and payment is rendered. NOTE: Invoice Response refers to content of Invoice message payload. The Invoice Response business message should not be confused with the system technical response sent automatically when a message is received, authenticated and validated by the receiver's system.
Recommended Best Practices	Buyer should issue one Invoice Response to accept/approve Invoice at the successful conclusion of reconciliation process.

Use Case: Disputed Invoice

Business process name	Disputed Invoice
Identifier	PIDX XML Invoice and Invoice Response
Actors	Buyer, Seller Intermediary may be involved
Definitions	***Trading Partner:*** The Buyer or Seller ***Intermediary:*** Organization between Trading Partners that may handle routing and/or act on behalf of Trading Partner at different stages in the business process workflow ***Routing Hub:*** Intermediary that routes messages but does not participate in business process workflow. ***Network:*** Intermediary that acts on behalf on buyer or seller and is a participant in the business process workflow. ***Invoice Response:*** The Invoice Response message refers to Invoice data and is transmitted by buyer to seller to indicate that the invoice has been approved for payment or that there is a problem and the invoice will not be processed until an appropriate dispute resolution process has been completed.
Description	Seller issues invoice for products/services delivered. Buyer finds error(s) during reconciliation process and issues Invoice Response to reject Invoice. Dispute resolution process begins
Pre-condition	The Seller has provided goods or services according to the conditions set in the contract and/or order. The Buyer has received the goods or services.
Post-conditions	Trading partners will address issues and continue invoice-to-pay process as appropriate.
Scenario	The Seller provides goods or services to the Buyer. The Seller will generate the invoice for the goods or services delivered. The Buyer checks the invoice for accuracy. Buyer reconciliation process results in a disputed invoice. Buyer issues Invoice Response to reject/dispute entire Invoice. Rejection/Dispute may be system- or human-generated, depending on where the error is identified during reconciliation process. Reasons for dispute are listed at the line item level (Line Response Reason Code) and indicate that the entire invoice is rejected and must be resubmitted. NOTE: Invoice Response refers to content of Invoice message. The Invoice Response business message should not be confused with the technical acknowledgment sent automatically when a message is received and authenticated by the receiver's system.
Remarks	Responses to a disputed invoice may include: - Original invoice is accepted by Buyer following discussion with Seller - Seller may cancel original invoice - Buyer may pay original invoice and seller may issue credit or debit memo - Seller re-sends corrected invoice Standard reasons for Invoice/line items include: - Duplicate Invoice Number - Missing mandatory element - Required data incorrect

	• Invalid Job Location Code • Item not received • Product or Service Price Dispute • Taxation error • Invalid Vendor ID • Invalid Buyer ID • Invalid Attachment Name/Type • Missing supporting documentation • Item doesn't match contract • Quantity Variance • Invoice Total does not match calculated total • Three-way or Two-way match error • Authorized spending level exceeded • Purchase Order closed or invalid dates • Other
Recommended Best Practices	• The proper location for sending the reason for invoice rejection is the LineResponseReasonCode (line item level). Any line item with a reason for rejection will automatically mean that the entire invoice has been rejected and must be corrected and resent to the buyer, as necessary. • To the extent possible, all known reasons should be identified for the point of failure.

Use Case: Invoice Response

Business process name	Invoice Response – Multi-hub
Identifier	PIDX XML Invoice Response
Actors	Buyer, Seller Intermediary may be involved
Definitions	***Trading Partner:*** The Buyer or Seller ***Intermediary:*** Organization between Trading Partners that may handle routing and/or act on behalf of Trading Partner at different stages in the business process workflow ***Routing Hub:*** Intermediary that routes messages but does not participate in business process workflow. ***Network:*** Intermediary that acts on behalf on buyer or seller and is a participant in the business process workflow. ***Invoice Response:*** The Invoice Response message refers to Invoice data and is transmitted by buyer to seller to indicate the payment status of an invoice.
Description	The PIDX Invoice Response Document currently has only two statuses: 'Accept' and 'Reject'. These statuses work well when only two partners are transacting under RNIF standards. However, when another transaction occurs between the receiving network and the buyer, non-repudiation can be compromised. A third status 'Pending' can be used by the intermediary to confirm technical receipt of the invoice by the buyer
Pre-condition	The Seller has provided goods or services according to the conditions set in the contract and/or order. The Buyer has received the goods or services.
Post-	Invoice will be paid.

conditions	
Scenario	Seller issues invoice for products/services delivered.The intermediary receives the invoice and returns a technical receipt acknowledgment to the seller. The intermediary delivers the invoice to the buyer and receives a technical receipt acknowledgment. The intermediary sends a 'pending' invoice response to the seller indicating that the invoice has been delivered to the buyer. The buyer later returns an 'accept' or 'reject' invoice response to the seller. The process concludes with an 'accept' response indicating that payment is approved.
Recommended Best Practices	At the request of the seller, the intermediary can send a 'pending' invoice response to the seller upon delivery of the invoice to the buyer. At this stage the invoice has been delivered to the buyer, but not yet approved or rejected.