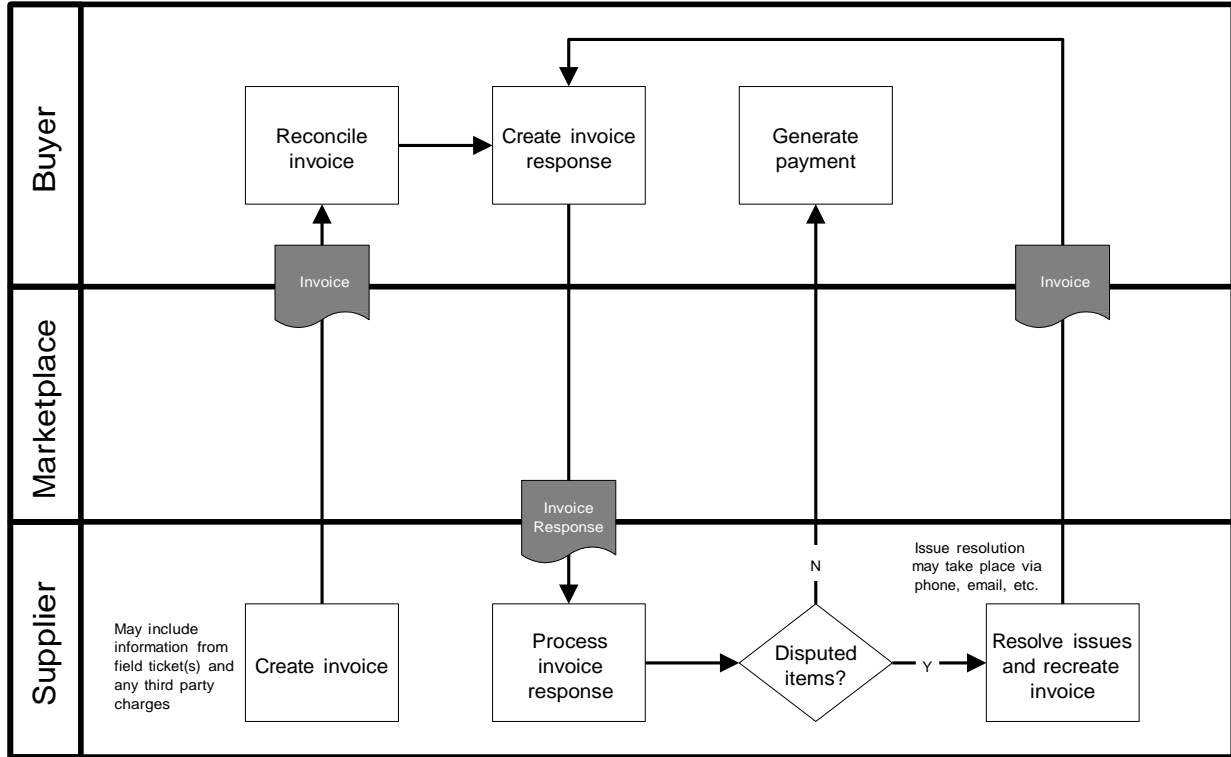


## Credit/Debit Memo Business Process Guideline

Below is the Business Process Diagram for the Invoice transaction as originally defined by the ComProServ project. This is not the only method by which the process may occur, however, it represents a primary process. Third parties, including a Marketplace, may be involved if necessary.



**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 and sends to the Seller. The Seller processes the response. Any disputes are handled by phone, email, etc. If necessary, once disputes are resolved, a corrected invoice is generated and sent to the Buyer. Once all information is correct, the Buyer generates payment for the invoice.

The Invoice document is used to bill the Buyer for services and/or products delivered by the Seller.

## Use Case: Credit/Debit Memo – Dispute/Error/Standalone

Business process name	Credit/Debit Memo - Disputed Invoice or Standalone Credit Memo
Identifier	PIDX XML
Actors	Customer, Supplier (Optional, additional roles – Invoicee, Invoice issuer) 3rd Party Marketplace may be involved
Description	The supplier presents to the customer for the ordered or delivered, received or consumed goods or services a detailed invoice. The customer disputes the invoice and works with supplier to resolve issue. Supplier issues appropriate credit or debit memo to correct original invoice.
Pre-condition	Contract and order is in place with agreed prices. The supplier has provided goods or services according to the conditions set in the contract and/or order. The customer has received the goods or services.
Post-conditions	For the incorrect invoices the customer will generate a dispute notice to the supplier.
Scenario	Based on the agreed conditions in the contract, order and or the delivery schedule or delivery just-in-time, the supplier will provide goods or services to the customer. Based on the agreement of the point of invoicing between the parties, the supplier will generate the invoice for the goods or services based on the goods or services ordered, or delivered, or received or consumed.  Once the goods or services are delivered to the customer together with the shipment notice or field ticket, the customer checks the invoice with the order and contract information and with the goods and/or services accepted by the customer.  If any discrepancy is found, the customer shall start the process to treat incorrect invoices. Once Supplier and Customer agree upon the nature of the dispute, Supplier issues a credit memo to correct the problem. Buyer receives credit memo, reconciles with order and contract information and issues payment.
Recommended Best Practices	<p><b>INVOICE TYPE CODE</b> InvoiceTypeCode is fine for informational purposes that may or may not be used by the buyer.</p> <p><b>TOTALS</b> Invoice Line Item Totals (AKA Extended Amount) should support positive (+ve) and negative (-ve) numbers.  Negative = Credit Positive = Debit</p> <p><b>LINE ITEM</b> Quantities = positive number (for Debit) or negative number (for Credit) Rates should be =&gt; zero</p> <p><b>SURCHARGES/DISCOUNTS</b> &lt;AllowanceOrCharge&gt; TypeCode – important to indicate discount, royalty, etc. &lt;Percent&gt; and &lt;MonetaryAmount&gt; tags should be =&gt; zero</p> <p>If a credit invoice is related back to an original invoice, then the ReferenceInformation element at the invoice header should be used to convey the reference to the original, as follows:</p>

```
<Invoice>
  <InvoiceProperties>
    <InvoiceNumber>456</InvoiceNumber>
    ..
  <ReferenceInformation
referenceInformationIndicator="OriginalInvoiceNumber">
    <ReferenceNumber>123</ReferenceNumber>
  </ReferenceInformation>

  <Comment>Invoice #123 is the original, invoice #456 is the follow-on
credit.</Comment>
  </InvoiceProperties>
  ...
</Invoice>
```