KEYSIGHT
TECHNOLOGIES
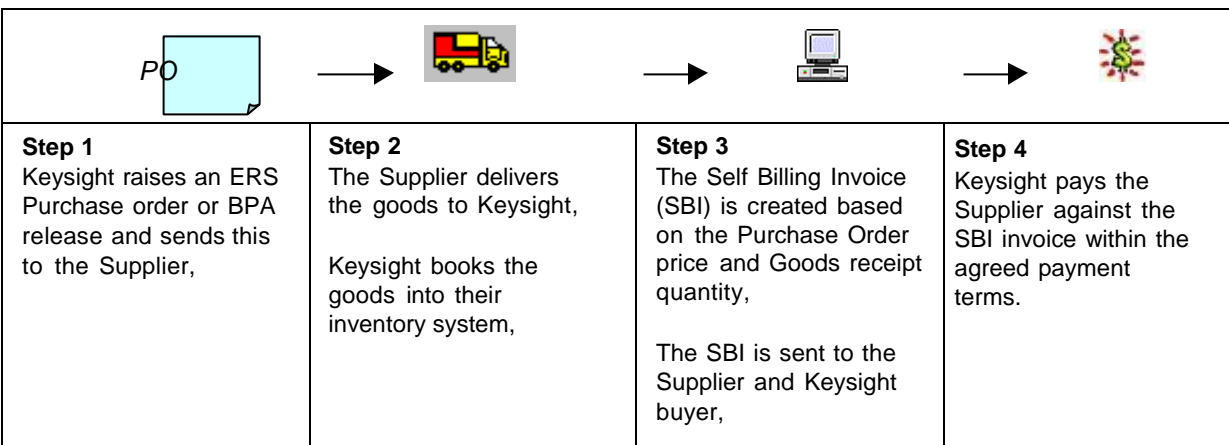
ERS Guide for Suppliers

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Introduction

What is ERS?

ERS stands for "Evaluated Receipt Settlement," and is an automated invoice and payment system. Keysight creates an invoice on your behalf once the goods are received into Keysight's inventory or are consumed in production. You do not need to send an invoice as Keysight's Self Billing Invoice will be used to make the payment to you.

What are the benefits of ERS?

As a Supplier on ERS, you will receive on-time payments on a regular basis, resulting in better cash flow. ERS invoices never go on hold as the Purchase Order price and the invoice always match. This means no invoices being held up for payment, which allows you to more reliably predict your incoming cash flow. Another advantage of ERS is that you will no longer need to print and send invoices to Keysight. The elimination of this clerical task will save administrative time as well as eliminating postage costs.

How does ERS work?

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Step 1 Keysight raises an ERS Purchase order or BPA release and sends this to the Supplier,	**Step 2** The Supplier delivers the goods to Keysight, Keysight books the goods into their inventory system,	**Step 3** The Self Billing Invoice (SBI) is created based on the Purchase Order price and Goods receipt quantity, The SBI is sent to the Supplier and Keysight buyer,	**Step 4** Keysight pays the Supplier against the SBI invoice within the agreed payment terms.

Details

1. A blanket PO (BPA) Release or a standard Purchase Order is created.
2. The Supplier delivers the goods to Keysight. The receiving department checks the materials to ensure the proper quantity, and no obvious signs of damage, and then books the goods into stock against the Keysight PO number. If a packing slip or shipping document is sent with the goods, that number will be recorded with the receipt.
3. An automated program runs on a daily basis, which picks up all goods received against ERS Purchase Orders. The program creates the Self Billing Invoices for the receipts, using the current PO price and receipted quantity. The Self Billing Invoice contains your Packing Slip number. Keysight emails or mails the SBI to you on a weekly basis.
4. Keysight will pay the Self Billing Invoice, per agreed upon payment terms.

Using ERS

Background

The key tool used for ERS is the Self Billing Invoice, or SBI. The SBI is a legal document created by Keysight on your behalf. The SBI takes precedence in the case of discrepancies and tax issues. Do not send your own invoices to Keysight for ERS orders, as this will cause payments to go on hold.

As well as containing all the necessary legal verbiage for an invoice, the SBI contains information that will enable you to reconcile our payment against their deliveries. For an example of a Self Billing Invoice refer to the sample shown at the end of this document.

Using ERS continued

Timing

The Self Billing Invoices are sent out on a weekly basis. The SBI's are sent to you, the Keysight buyer and Keysight Accounts Payable department. Each group will receive all the SBI's created during the previous week. Payment occurs per the agreed upon payment terms. Therefore, if you have standard payment terms you should expect to be paid two to four weeks after you receive the Self Billing Invoice. If you do not receive a Self Billing Invoice, contact your buyer.

Printing the Self Billing Invoice

The Self Billing Invoices will be sent as a text file. However, if you open the file up using NotePad, you will lose the formatting and will find it difficult to view or print the document. You need to open the files using Microsoft Word or Wordpad so that the formatting is not lost. To print the document, you may need to adjust the margins and paper size to fit on one piece of paper.

Miscellaneous Charges

Self Billing Invoices and payments will be automatically created for goods, based on a standard Purchase Order and BPA release that are physically received by the Keysight Receiving Department. However, there may be situations where it is not possible to accurately estimate the price of an item at the time the PO is created. There may also be charges for services that are not normally received by Keysight's receiving department. For these special cases, Keysight will create a manual purchase order and receive against this to trigger payment. If you need a special reference number on these payments, talk to your Keysight buyer to include this reference as the "Packing Slip" number for the receipt. This will ensure that the number is included on your Self Billing Invoice and payment remittance.

Debit and Credit Memos

A debit memo is created by Keysight in Oracle to register a credit for goods or services from a Supplier. A credit memo is a document sent by you to Keysight to notify us of that we are being credited for the return of goods. Debit and credit memos should always match each other. For example, if we generate a debit memo for the return of 10 items at $10, you should send us a credit memo for the same amount and quantity, and reference the correct PO number on the credit memo.

A Return to Supplier (RTS) transaction will automatically create a Debit Memo. Accounts Payable will send the Debit Memo to you. However, a Self Billing Invoice will not be created for the transaction.

The process for Debit and Credit Memos works the same way for ERS transactions as for any other standard billing process. Any goods which are returned will have a Debit Memo created, which will net off the total payment that you receive.

Reconciliation and Resolving ERS Discrepancies

When you receive the Self Billing Invoices, discrepancies may be noticed between the expected payment and what is on the Self Billing Invoice. Work with your buyer to correct these issues as quickly as possible, so that there is minimal disruption to the payment.

1. Check that the quantity Keysight has received matches what you believe was sent. If the quantity received is different, talk to your Keysight Buyer to get the receipt quantity corrected.
   - If you believe the quantity Keysight has received is less than what you sent, Keysight can receive the additional quantity. This may result in an additional Self Billing Invoice being created, but it should not result in late payment to you for the goods.
   - If you believe Keysight has received more than you sent, Keysight will perform a RTS. This will generate a Debit Memo in the system, which will net off what we pay you.

2. Check the unit price of the goods on the Self Billing Invoice.
   - If you believe the unit price on the SBI is too low, notify your Keysight buyer immediately. If it is still possible, the receipt can be reversed and the goods re-receipted at the correct price. This will still result in a credit for the first transaction to net off the payment at the incorrect price, and a new Self Billing Invoice at the correct price.
   - If you believe the unit price on the SBI is too high, notify your Keysight buyer immediately. Keysight will create a RTS return to and debit memo for the amount we have overpaid, which will net off your total payment.
   - If it is not possible to do a RTS, Keysight may need to create a manual PO to compensate for the additional amount. If this is the case, we will work with you to get this paid to you in a timely manner.
3. Check that the tax shown on the SBI is correct. The tax amount is calculated from the tax code in Keysight's Purchase Order. If this is incorrect, notify your Keysight buyer immediately.

Where to get more Information

For more information on ERS, talk with your local Keysight buyer.