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SAP Training
Source To Pay

Invoice Collaboration with SNC – Supplier

External User Training
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Course Introduction

This course covers the invoice creation and management process for Supply Network Collaboration (SNC) Suppliers.

After completing this course, you will be able to:

- Explain the invoice process using SNC.
- List the key fields in the SNC invoice.
- State the benefits for using SNC to process invoices.
- Create and publish an invoice using SNC.
- Create and publish a subsequent credit or debit memo using SNC.
- View Self-Billing (ERS) invoice.
- View and verify the invoice payment.
- Delete invoices out of SNC.

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Invoice Process Overview

Module Objectives

After completing this module, you will be able to:

- Name the steps for invoice processing in SNC.

- Identify the structure of the SNC invoice.

- List the key fields in the invoice.

- State the benefits of the invoice process using SNC.

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Key Benefits for the Invoice Process

Key benefits include:

- Optimizing invoice processing and operational efficiency.

- Real-time communication between 3M and requirements Supplier replaces older methods like phone, fax, and e-mail.

- Limits errors since all the fields are adopted from the reference document, which improves the Invoice Match Exception Rate (invoices that fail to match).

- Allows Suppliers to track the payment status for invoices.

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Invoice Process Overview

The invoice process in SNC enables a Supplier to create invoices for goods the Supplier provided to 3M. The Supplier:

- Creates the invoice after shipping the goods to 3M.

- Uses Advance Shipping Notifications (ASNs) or Purchase Orders (POs) as the reference for creating an invoice.

- May add notes on invoices to communicate with Accounts Payable (AP).

- Enters a note explaining the unplanned and exceptional charge when recording miscellaneous charges.
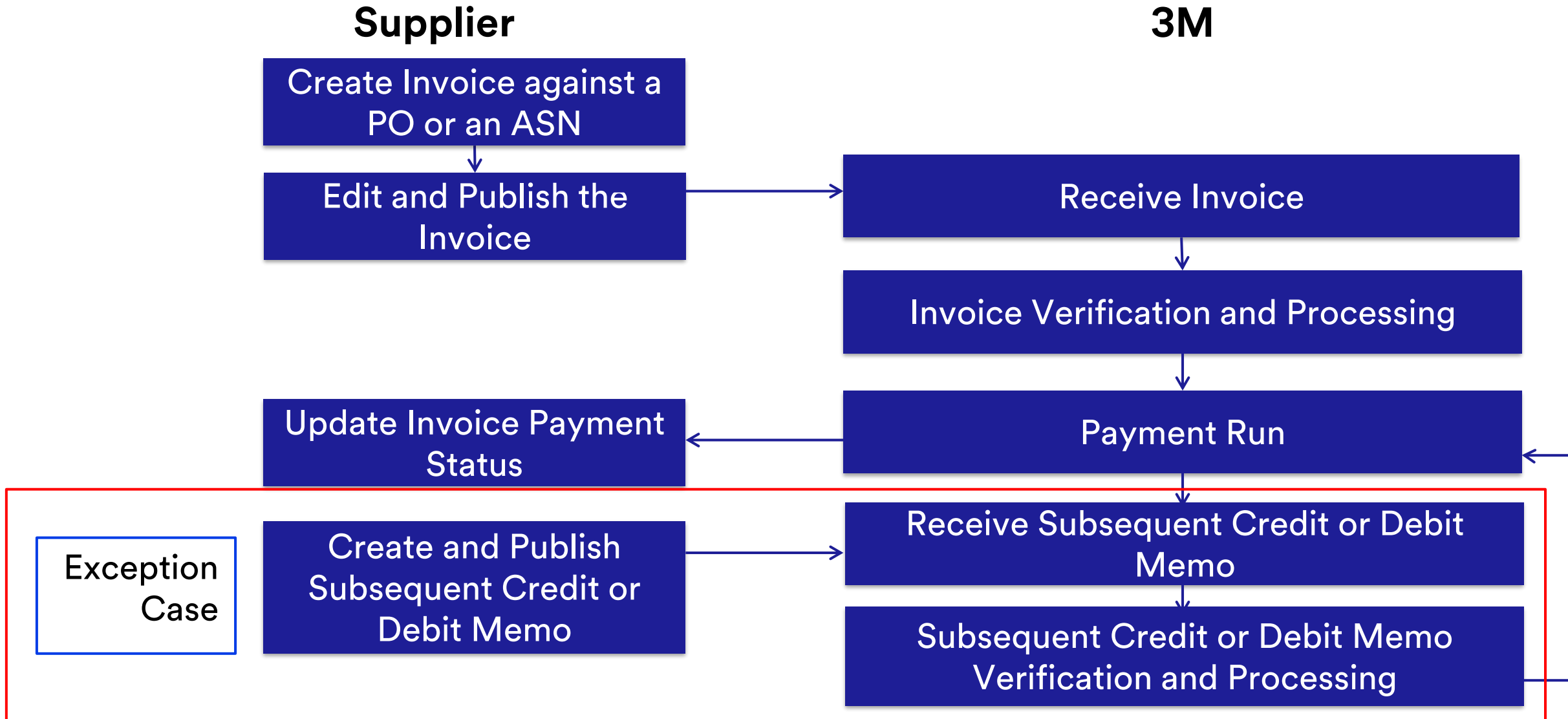
Important: Ensure you follow regional 3M guidelines for one PO per invoice.

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Invoice Process Overview (continued)

In certain cases, 3M may create invoice on behalf of a Supplier. This will create a self-billing invoice in SNC.

Self-billing invoices support the consignment and Evaluated Receipt Settlement (ERS) process.

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Roles and Responsibilities in Invoice Processing

Supplier

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Supplier	3M
Create Invoice against a PO or an ASN	
Edit and Publish the Invoice →	Receive Invoice
	Invoice Verification and Processing
Update Invoice Payment Status ←	Payment Run
Create and Publish Subsequent Credit or Debit Memo →	Receive Subsequent Credit or Debit Memo
	Subsequent Credit or Debit Memo Verification and Processing

Exception Case

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Invoice Process Overview Steps

Invoice creation by the Supplier:

- Manually creates an invoice in SNC.

- Creates the invoice either against an ASN or a PO after the goods have shipped.

Invoice published by Supplier:

- Inputs (or edits) and validates all the relevant fields in the invoice, such as Invoice Number, Taxes, Misc. charges, and any applicable notes.

- Publishes the invoice in SNC.

Invoice received by 3M:

- SNC sends the invoice to 3M's back-end system.

- 3M back-end system processes this as an invoice.

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Invoice Process Overview Steps (continued)

Invoice verification or processing:

- Accounts Payable team validates the posted invoice.

Payment Run:

- The payment run is carried out in the 3M back-end system for invoices which are due for payment.

- Generates a remittance advice notification which is sent to SNC.

Payment Status update:

- SNC receives the remittance advice.

- The invoice payment status is updated.

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Invoice Process Exception Process

Supplier creation of a subsequent debit or credit in SNC is an exception process carried out only when they need to accommodate retroactive changes to prices for invoiced items.

- The Supplier creates an additional document for items already invoiced.
- The Supplier manually creates a subsequent debit or credit for goods already invoiced in SNC.
  - A subsequent debit charges an additional value amount.
  - A subsequent credit reduces the original value amount.
- The Supplier can only do a subsequent debit or credit for the already invoiced quantity.
- The subsequent debit or credit process does not cover quantity adjustments.

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Invoice Structure

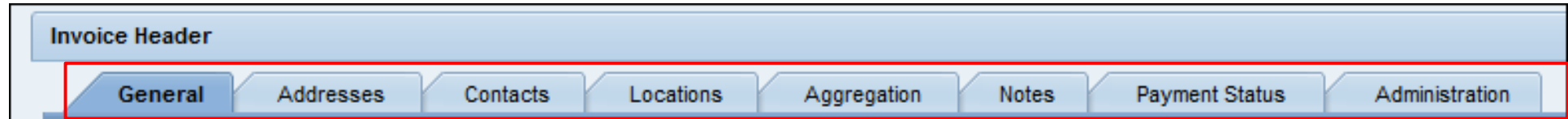An invoice consists of three sections: an Invoice Header, the Invoice Item, and the Invoice Sub-item.

Invoice Structure (continued)

Invoice Header: Divides into multiple tabs which group different data elements.

The different tabs available in the Invoice Header are:

- *General*: Contains Document, Tax Information, and Payment Terms data.
- *Addresses*: Address details of Invoice Recipient, Customer, Goods Recipient, Invoicing Party, and Supplier.
- *Contacts*: 3M Buyer contact details.
- *Locations*: Ship-from Location, Customer Location, and Ship-to Location details.
- *Aggregation*: Gross, net, and tax amounts.
- *Notes*: Contains additional info added to the invoice by the Suppliers.
- *Payment Status*: Payment details.
- *Administration*: Change log details.

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Invoice Structure (continued)

Invoice Item: The Invoice Line Item contains:

- **PO Product Line items:** Data specific to the invoiced product item.

Item	Product	Product Desc.	Quantity	UoM	Gross	Net	Tax Amt	Crcy	Price	Pr. Unit	Pr. UoM	Notes	Pur.Doc.	PurDocItem	ASN No.	ASN Item
1	4100000489	JS - SNC Testing 2	20	EA	107,00	100,00	7,00	CAD	5,00	1	EA	0	4800008426	00010	0000000584	1
2	CAT02	Commission	1	EA	10,50	10,00	0,50	CAD	10,00	1	EA	0				
3	CAT05	Freight	1	EA	21,20	20,00	1,20	CAD	20,00	1	EA	0				

- **Unplanned or Exceptional Misc. Charge Line items:** Data specific to Misc. charges added by the Supplier.

Item	Product	Product Desc.	Quantity	UoM	Gross	Net	Tax Amt	Crcy	Price	Pr. Unit	Pr. UoM	Notes	Pur.Doc.	PurDocItem	ASN No.	ASN Item
1	4100000489	JS - SNC Testing 2	20	EA	107,00	100,00	7,00	CAD	5,00	1	EA	0	4800008426	00010	0000000584	1
2	CAT02	Commission	1	EA	10,50	10,00	0,50	CAD	10,00	1	EA	0				
3	CAT05	Freight	1	EA	21,20	20,00	1,20	CAD	20,00	1	EA	0				

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Invoice Structure (continued)

- **Invoice Sub Item:**
  - Unique data for an Invoice Line Item (Product or Misc. Charge Line Item).
  - Contains the tax and currency conversion data that is entered by the Supplier.

The tax data is for Line Item 1

Key Invoice Header Fields

Sl. No.	Header Tab	Field	Description
1	*General*	Invoice	A unique number identifying the Invoice. Supplier must enter an invoice number. Typically, Supplier enters the same number as they use in their internal systems
2	*General*	Document Date	This is initially set to the creation date of the invoice. You can change this date.
3	*General*	Time	This is initially set to the creation time of the invoice. You can change this time.
4	*General*	Invoice Type	Refers to the type of invoice. For 3M, the type will always be **Invoice**.

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Key Invoice Header Fields (continued)

Sl. No.	Header Tab	Field	Description
5	*General*	Invoice Status	A field filled automatically by the system indicating the invoice process stage for the invoice. At 3M, the following statuses apply: ▪ **Draft**: Occurs after the Supplier clicks **Save**. An invoice with this status can be changed. ▪ **Published**: Occurs after the Supplier clicks **Publish**. Published invoices are sent from SNC to the 3M back-end system. Once published, no further changes can be made to the invoice. ▪ **Paid**: Occurs when the remittance advice is sent from the 3M back-end system to SNC and signifies payment of the invoice.
6	*General*	Baseline Date	Date on which the cash discount days are based.
7	*General*	Terms of Payment Key	Determines the discounts details and net payment period.

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Key Invoice Header Fields (continued)

SI. No.	Header Tab	Field	Description
8	*Aggregation*	Gross	Sum of all gross amount for each tax code in the invoice.
9	*Aggregation*	Net	Sum of all net amount for each tax code in the invoice.
10	*Aggregation*	Tax Amt	Tax amount from the net amount for each tax code.
11	*Aggregation*	Total Amount	Aggregated total of the gross amounts.
12	*Payment Status*	Payment Date	Remittance advice payment date. 3M's back-end system sends the remittance advice.
	Notes		Used for additional information the Supplier or AP Processor added to the invoice.

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Module Summary

The key points covered in this module are:

- The benefits of using the SNC invoice process.

- Suppliers create invoices after goods ship using the ASN or PO as a reference document.

- Suppliers create a subsequent debit or credit for pricing changes for items already invoiced. This is an exception process.

- The structure and key fields of an invoice.

- Invoice items can contain PO Product Line Items.

- Invoice sub-items can contain unplanned and exceptional miscellaneous charge Line Items.

- The key invoice Header data fields.

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Create and Publish Invoices

Module Objectives

After completing this module, you will be able to:

- Name the steps for creating and publishing an invoice in SNC.
- Create a list of all un-invoiced ASNs or POs.
- Create an invoice for a specific ASN or PO in SNC.
- Input and edit the fields at the Invoice Header and Item level.
- Add miscellaneous charges to the invoice.
- Add taxes to the Invoice Line Items.
- Save the invoice in draft mode.
- Validate the invoice amounts at the Header and Item level.
- Publish the invoice.

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Invoice Process Flow

The process for Invoice Collaboration involves these steps:

Buyer 3M System

- Receive Invoice → Invoice Verification → Invoice Payment Run

Supplier SNC

- Create and Publish Invoice → Change Invoice after Publish?
  - **Change to Item price** → Create and Publish Subsequent Credit or Debit Memo → Receive Subsequent Credit or Debit Memo → Subsequent Credit or Debit Memo Verification
  - **Any other changes (Quantity, Taxes, Items)** → Request 3M Accounts Payable (AP) Delete the Invoice → Create a New Invoice after Deletion

Exception Cases

- Validate Invoice Payment

🟥 **Manual Process Step**

Creating and Publishing an Invoice in SNC

When creating an invoice, the Supplier can:

- Combine multiple ASNs into a single invoice.

- Add miscellaneous charges such as assist, commission, discount, documentation, freight, insurance, packaging and packing, royalties and license fees, as well as taxes, to a Line Item.

  - Miscellaneous charges are discussed and approved by the 3M Buyer prior to creating the invoice.

  - When adding miscellaneous charges, also add a note documenting the purchase of the charges.

- Enter taxes either as a percent or an absolute value in any currency.

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Creating and Publishing an Invoice in SNC (continued)

- Confirm the invoice total for all items and miscellaneous charges at the Header level of the invoice, including:
  - **Document Date**
  - **Terms of Payment**
  - **Invoice Number**
  - **Invoice Amount**
- You must also validate several key fields at the invoice item level including:
  - **Product**
  - **Quantity**
  - **UoM**
  - **Price**
  - **Price Unit**
  - **Price UoM**

Creating and Publishing an Invoice in SNC (continued)

- After reviewing and finalizing the invoice you can click:
  - **Check** to check the invoice for errors.
  - **Save Draft** to save the invoice for editing later.
  - **Publish** to save and send the invoice to the 3M Accounts Payable team.

- You can confirm the success or failure for creating an invoice by reviewing the statuses SNC provides when publishing the invoice.

Note: An invoice will not publish if an error exists on the invoice. Errors are indicated by a red box in the Status section of the window.

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Step-by-Step Instructions

Detailed instructions on how to **create and publish an invoice** using **the** ***Documents Requiring Invoices*** **window** can be found on the [Supply Network Collaboration Training](#) site**.**

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Module Summary

The key points covered in this module are:

- By using the *Documents Requiring Invoices* window, you can identify one or more ASNs requiring invoicing.

- You can select multiple ASNs for invoice creation.

- You must validate several key fields at the invoice Header level and the Item level.

- The invoice Line Item amount is calculated as follows:
  - Net Amount = Quantity * Price / Price Unit
  - Tax Amount = Sum of all taxes
  - Gross Amount = Net Amount + Tax Amount

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Module Summary (continued)

- Multiple miscellaneous charges can be added to the invoice.
- Multiple tax types can be added to a PO Product Line Item, or Miscellaneous Charge Line Item.
- The invoice status becomes **Draft** when the invoice is saved.
- The Supplier enters the **Invoice Number** when the invoice is saved or published.
- The invoice status becomes **Published** when the invoice is successfully sent to 3M.
- Published invoices cannot be changed.

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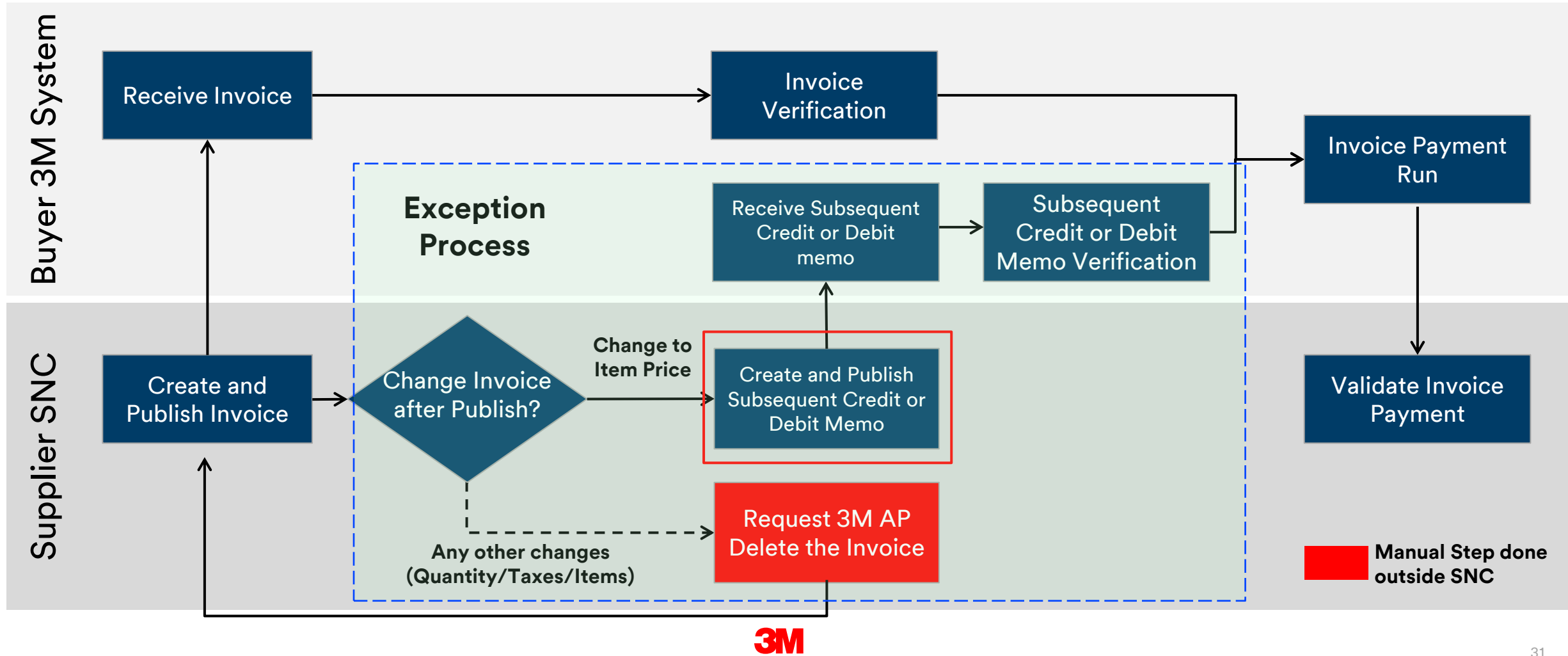# Creating and Publishing a Subsequent Credit or Debit Memo

Module Objectives

After completing this module, you will be able to:

- List the rules associated with subsequent credits and debits.

- Create a subsequent credit or debit with reference to a PO or an ASN.

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Invoice Process Flow

The process for Invoice Collaboration involves these steps:

Creating a Subsequent Credit or Debit

Subsequent credit or debit is a process used only on an exception basis:

- Prior to creating the subsequent credit or debit, you must obtain approval from the 3M Buyer and the AP Invoice Processor.

- A subsequent credit reduces the price for an existing invoice.

- A subsequent debit increases the price for an existing invoice.

- When creating either the subsequent debit or credit, you only enter the difference between the current price and the invoiced price.

- After reviewing and finalizing the subsequent credit or debit invoice, click:

  - **Check** to check the invoice for errors.

  - **Save Draft** to save the invoice for editing later.

  - **Publish** to save and send the invoice to the 3M Accounts Payable team.

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Step-by-Step Instructions

Detailed instructions on how to **create a subsequent debit or credit** using **the *Invoice Create* window** can be found on the [Supply Network Collaboration Training](#) site**.**

Module Summary

The key points covered in this module are:

Suppliers can only create a subsequent credit or debit for a previously invoiced PO or ASN:

- The maximum quantity a Supplier can subsequently debit or credit is the quantity already invoiced.
- Submitting a subsequent credit or debit is an exception process.
- Prior to submitting the subsequent credit or debit, Suppliers must obtain approval from the 3M Buyer and the AP Invoice Processor.

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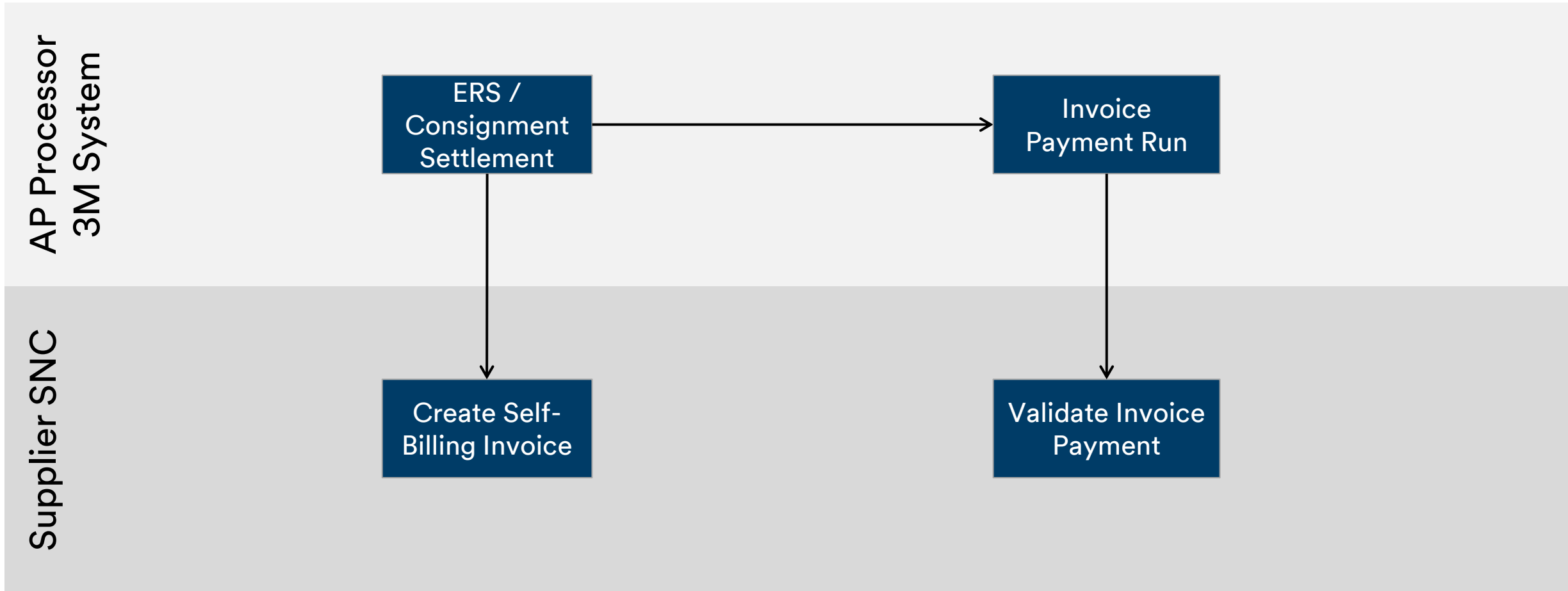# View Self-Billing (ERS) Invoice

Module Objectives

After completing this module, you will be able to:

- Name the process steps involved in a self-billing invoice process in SNC.
- View self-billing invoices in SNC.

3M

Self-Billing Invoice Process Flow

The process for Self-Billing Invoice Collaboration involves these steps:

Creating a Self-Billing Invoice

Self-billing invoice is a process used when 3M is to generate invoices on behalf of the Supplier:

- Self-billing invoices are generated automatically during ERS or consignment settlement.

- A self-billing invoice cannot be edited by the Supplier.

- A self-billing invoice does not display line level tax information, only summary taxes are visible.

- Supplier is able to generate a pdf printout of the 3M form.

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Step-by-Step Instructions

Detailed instructions on how to **view self-billing invoice** using **the**
Invoice Overview window can be found on the Supply Network Collaboration
Training site.

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Module Summary

The key points covered in this module are:

- Self-billing invoices are created by 3M's ERP system.

- Suppliers can only view self-billing invoices in SNC.

- Self-billing invoice is used in conjunction with the consignment or the ERS (Evaluated Receipt Settlement) business process.
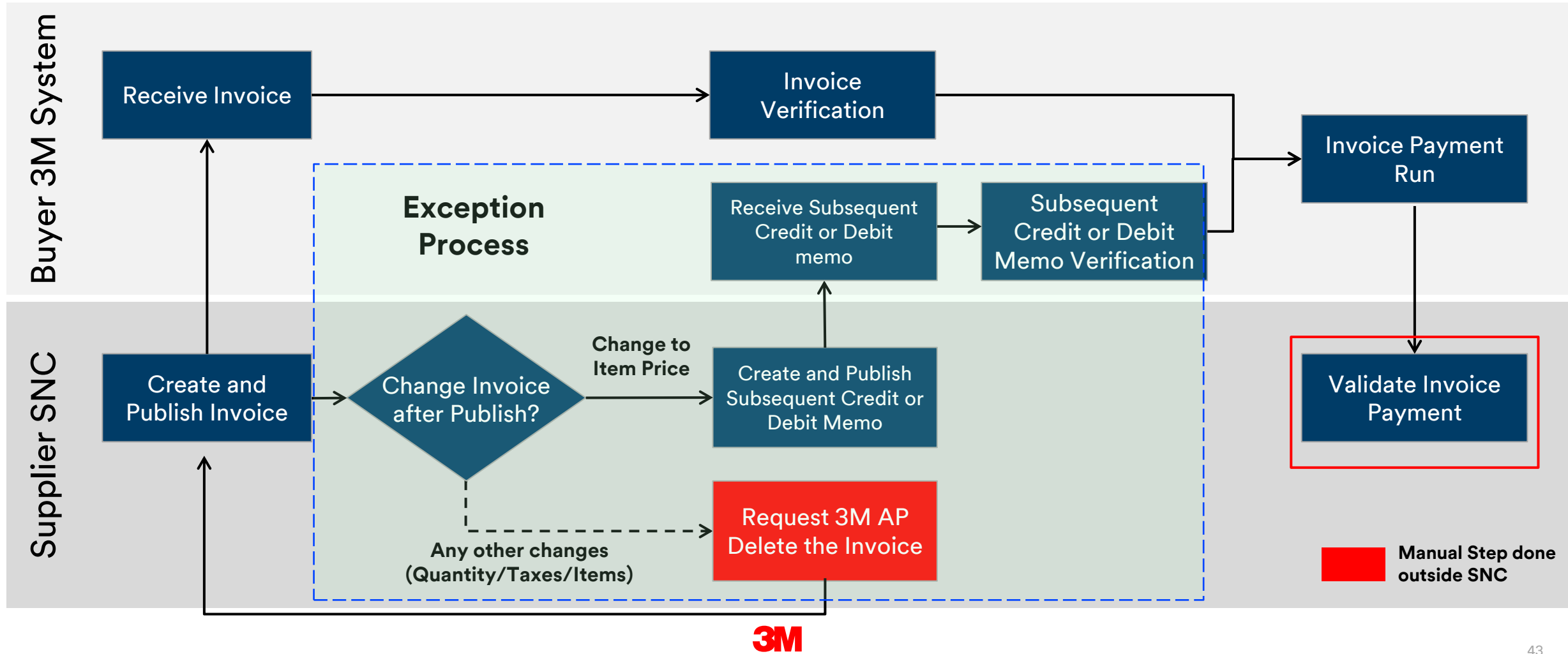
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Validate Invoice Payment

Module Objectives

After completing this module, you will be able to:

- Validate the payment-related information on the invoice.
- Check if the invoice has been paid.

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Invoice Process Flow

The process for Invoice Collaboration involves these steps:

Validating Invoice Payments

To view whether an invoice is paid, use the *Invoice Overview* window.

Within the *Invoice Overview* window, filter by **Invoice Status** to find all invoices with the status for which you are searching. For example, to find all paid invoices select **Invoice Status: PA (Paid).**
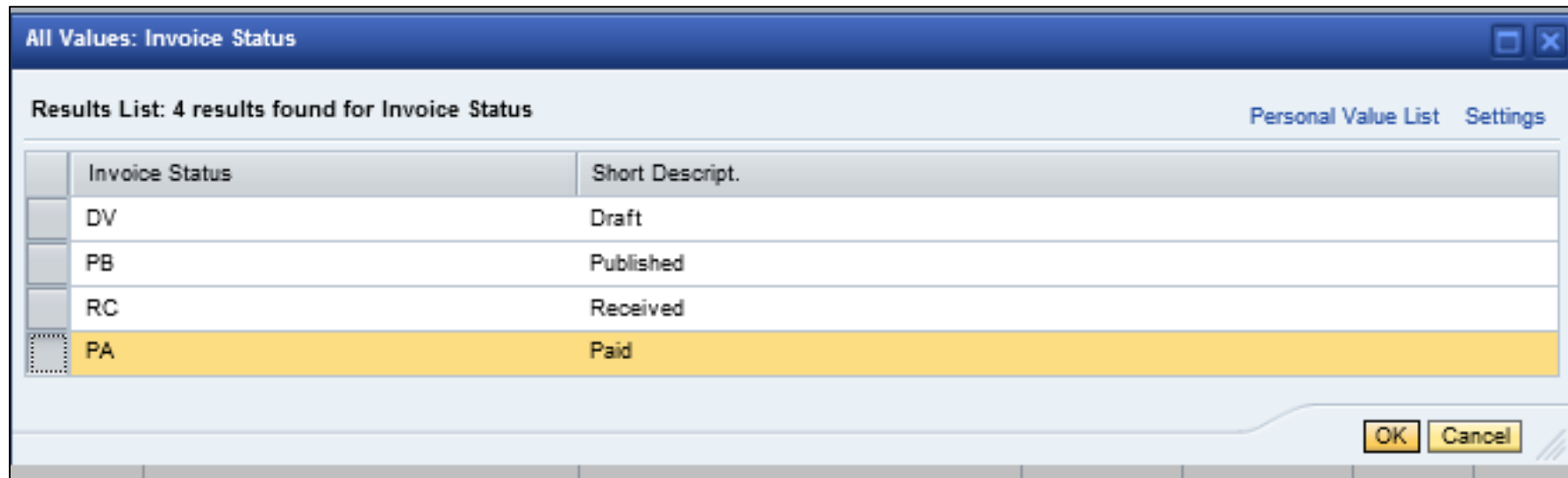
Step-by-Step Instructions

Detailed instructions on how to **view Payment Status** using **SAP SNC** can be found on the [Supply Network Collaboration Training](#) site**.**

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Module Summary

The key points covered in this module are:

- The invoice status becomes **Paid** when SNC receives the remittance advice after the Payment Run.

- The payment-related data is available at the invoice Header level under the ***Payment*** tab.
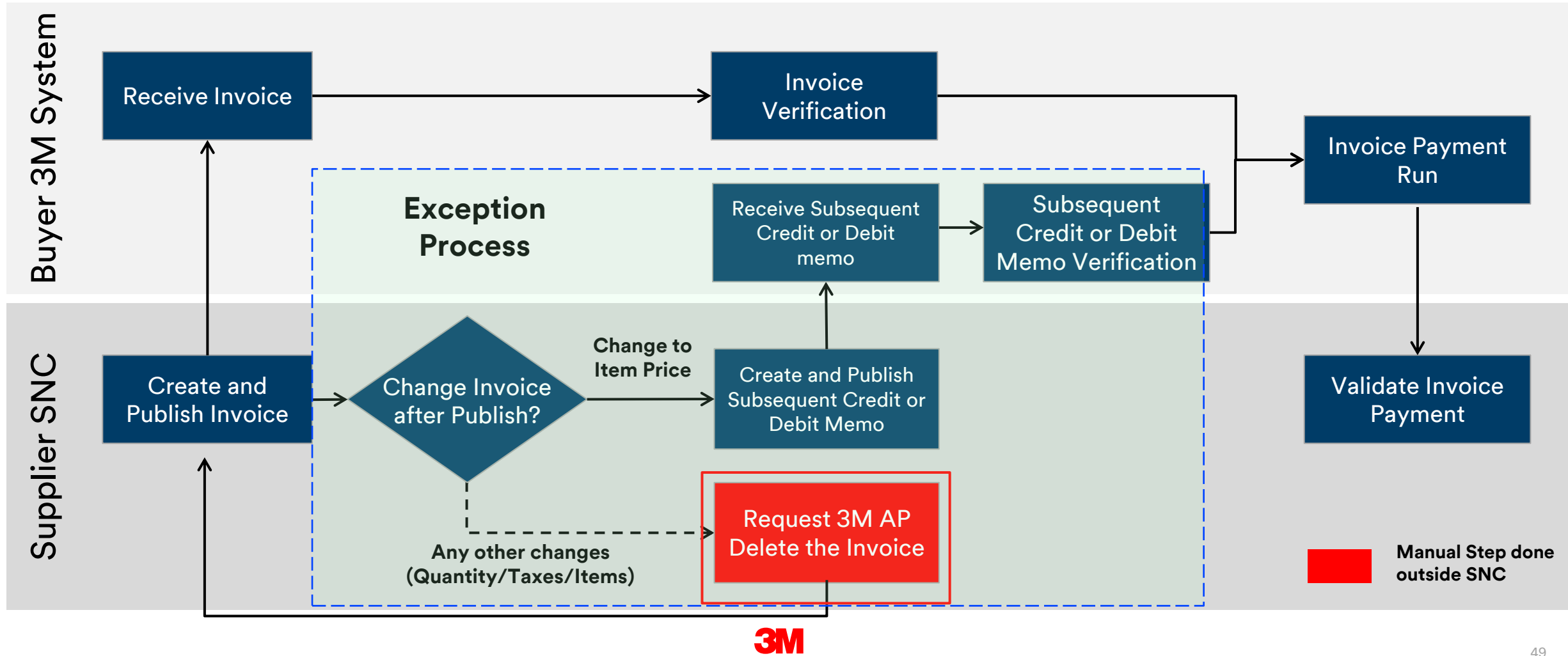
3M

Invoice Deletion Exception Process

Module Objectives

After completing this module, you will be able to explain the invoice deletion exception process.
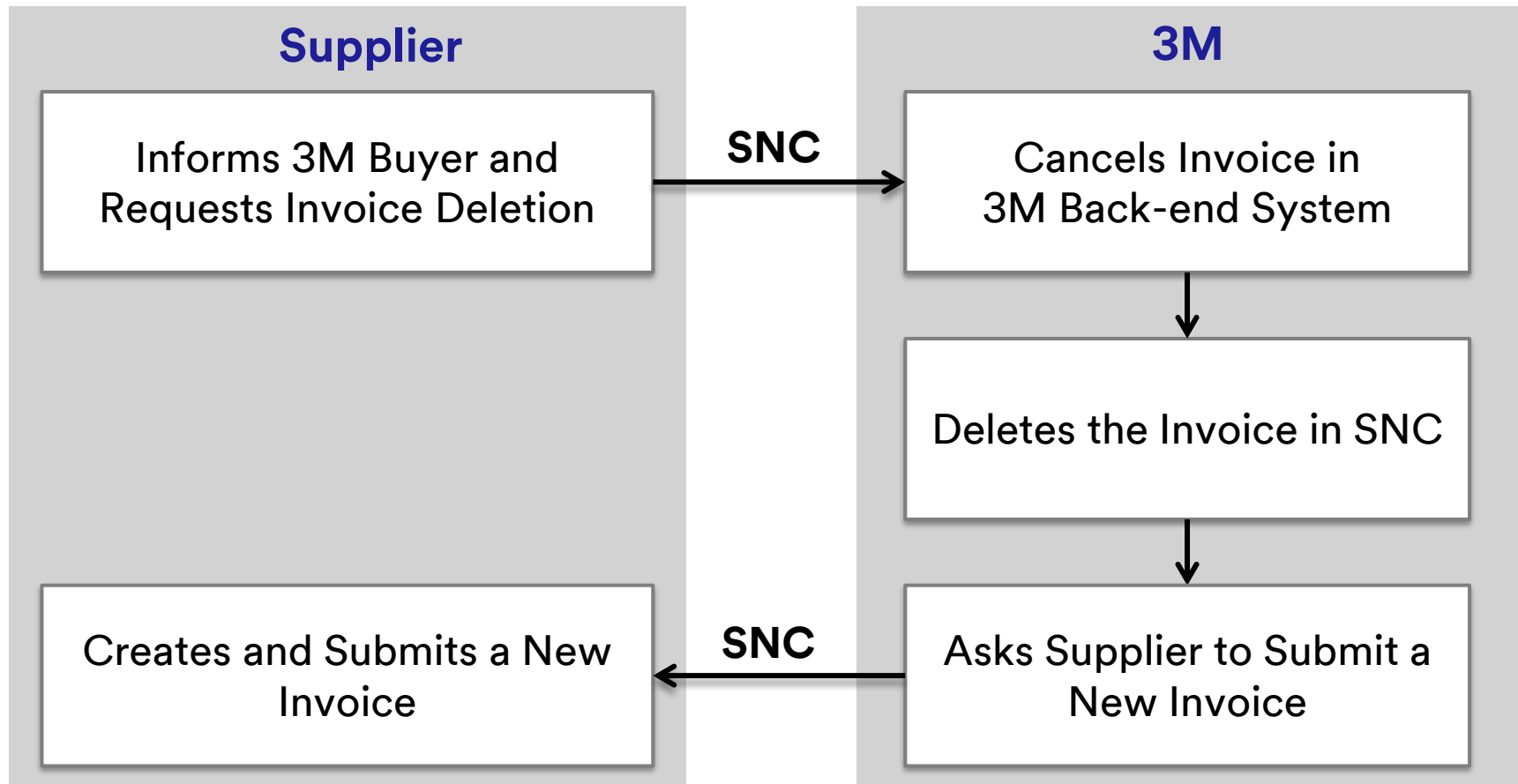
3M

Invoice Process Flow

The process for Invoice Collaboration involves these steps:

Invoice Deletion Steps in SNC

Invoice deletion is only done for erroneously submitted invoices, such as an incorrect tax rate.

Supplier		3M
Informs 3M Buyer and Requests Invoice Deletion	**SNC** →	Cancels Invoice in 3M Back-end System
		↓
		Deletes the Invoice in SNC
		↓
Creates and Submits a New Invoice	← **SNC**	Asks Supplier to Submit a New Invoice

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Deleting Invoices in SNC

The steps for deleting an invoice include:

1. The Supplier contacts the PO Buyer informing 3M of the need for invoice deletion..

2. The 3M Invoice Processor deletes published invoices by marking them obsolete in 3M's ERP system.

3. The Buyer works with the team internally to ensure the invoice is deleted from SNC.

4. The Supplier creates a new invoice with the correct information.

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Module Summary

The key points covered in this module are:

If a Supplier makes an error on the invoice (such as incorrect tax, or miscellaneous charges), the Supplier can request deletion of the invoice.

- Supplier informs 3M AP and requests to delete an invoice.
- 3M Buyer informs the Supplier the incorrect invoice is deleted and the Supplier needs to submit a new invoice.

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Conclusion

The key points covered in this course are:

- Key benefits for using SNC invoice processing include:
  - Optimizing invoice processing.
  - Real-time communication between 3M and the Supplier.
  - Lessening of errors, thus decreasing the numbers of invoices failing to match.
  - Allows greater visibility of invoice statuses for the Supplier.
- Suppliers create invoices in SNC.
- Invoice creation occurs in reference to an ASN or PO.
- An invoice creation and release in SNC automatically creates an invoice in the 3m back-end system.

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Conclusion (continued)

- Suppliers only make retroactive changes to prices using the subsequent debit or credit process. This process is an exception process requiring approval from 3M.

- The subsequent debit or credit process does not cover quantity adjustments.

- Deleting invoices occurs when the Supplier erroneously submits an invoice. Invoice deletion has three steps:

  1. Supplier requests 3M delete an invoice.

  2. 3M Buyer informs Supplier of deletion and requests new invoice.

  3. Creation of a new invoice in SNC by the Supplier.

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