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**National eInvoicing Solution**

**Supplier Guidance**

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# **Background**

As eInvoicing will become the predominant method of invoicing, the Scottish Government is currently rolling out a national solution across the Scottish public sector.

The key driver for the Scottish Government deploying an eInvoicing solution is the introduction of the EU eInvoicing Directive which aims to achieve mandatory acceptance of eInvoices by all public sector bodies by November 2019 at the latest.

The purpose of this guide is to provide suppliers to the Scottish public sector with the necessary information to ensure that they are aware of how to issue invoices via the eInvoicing solution as well as the format and content required for the eInvoice.

# **The Scottish Government’s eInvoicing Solution**

The Scottish Government is delivering eInvoicing capability through its national eCommerce Shared Service to help standardise eInvoicing across the Scottish public sector. The eInvoicing solution went live in September 2014 after a successful pilot project and is now being implemented by a number of public sector bodies.

The solution is very straight forward and only requires that an invoice is sent to a unique email address set-up for each public sector body who uses the eInvoicing solution. A variety of formats are supported, however, the most popular is PDF which must be machine generated. This means that the invoice must be automatically generated from your accounting package.

The solution retrieves invoices every couple of minutes from the unique email address, reads the data embedded within the PDF and turns the data into an eInvoice. It then performs a number of validation checks before issuing it to the public sector body for matching and payment. Rejected invoices are either sent directly back to you the supplier or forwarded onto someone within the public sector body to deal with as per internal processes.

# **Benefits of eInvoicing**

There are a number of key benefits and efficiencies that suppliers could realise as a result of issuing invoices electronically:

* Faster payments - eInvoicing eliminates the delays that result from mailing, routing, sorting and re-keying paper documents. Customers can easily route invoices for fast processing and approval because the data is immediately available electronically.

* Reducing invoice processing costs by taking away any manual intervention and making the end to end process electronic.
* eInvoicing enables straight-through processing by eliminating the need to manually re-key data and reducing the potential for data entry errors. As a result, invoices are less likely to be rejected.
* Reduction of credit control effort in dealing with lost invoices or handling queries.
* Enhanced visibility as a full audit trail is available.

As well as the key benefits identified above, the solution does not require suppliers to make any technical changes to invoice/billing processes and more importantly there are no costs to suppliers to use the solution.

# **eInvoice - Supplier Requirements**

Since the introduction of the eInvoicing solution there have been a number of common issues encountered with the format and content of eInvoices received from some suppliers. For example:

* Product codes/item numbers on invoices not matching in, catalogues, internet sites or via quotation requests, for example the addition of prefixes/suffixes.

* The addition of delivery charges/discounts at the invoice stage
* When customers are purchasing bundles from catalogues it appears as 1 line on the PO but when the invoice is received there are multiple lines.

As a result these issues have caused eInvoices to be mismatched and rejected. Therefore, to ensure that suppliers reap the benefits of eInvoicing, there are a few pre-requisites that need to be in place to ensure that a valid invoices is issued, i.e.

* Suppliers must have the ability to send a system generated invoice (no manual intervention is required to produce the invoice). For example, scanning a paper invoice and emailing it is not accepted.
* Suppliers must ensure that catalogues are up to date with the latest product codes, prices, delivery charges, etc as the information detailed in your catalogues will be replicated on the PO.
* Invoices must mirror the key information provided within catalogues, internet site or quotation requests.
* eInvoices must contain the same elements as a standard invoice.

# **Core elements of an eInvoice**

Core elements that need to be included in an eInvoice. These are:

* Process and invoice identifiers
* Purchase order number
* The invoice period
* Seller information
* Buyer information
* Payee information
* Seller’s tax representative information
* Delivery details
* Payment instructions
* Allowance or charge information
* Invoice line item information
* Invoice totals
* VAT breakdown.

An example invoice is attached at Annex A which highlights the information that should be included in an eInvoice as set out by HMRC.

# **Further Information**

For further information on the SG eInvoicing solution, please [contact the eInvoicing mailbox](mailto:eInvoicing@scotland.gsi.gov.uk).

For further information relating to contents of an eInvoice [you can access the HMRC guidance](https://www.gov.uk/government/publications/vat-notice-70063-electronic-invoicing).

# **Annex A**

**INVOICE**

**ABC Supplies**

VAT Reg No: GB XXX XXXX XX Invoice No: 123456789

Customer No: 987654321

To: Example Org Date/Tax Point: 05/05/2015

1 High Street

Edinburgh From: ABC Supplies

EH1 2AB Finance Section 1 High Street Glasgow, G1 2AB

Customer VAT Number: For invoice queries Contact: Joe Bloggs

Purchase Order No: 12345678 Telephone: 0131 123 4567

Email: [joe.bloggs@abc.co.uk](mailto:joe.bloggs@abc.co.uk)

Currency: GBP

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Qty** | **Unit Price**  **(ex VAT)** | **Amount**  **(ex VAT)** | **VAT Rate** | **VAT** | **Line Value** |

Spec – 1244A 1 1,350.00 1,350.00 20.00 270.00 1,620.00

**Total: 1,350.00 270.00 1,620.00**

**Payment Terms: 30 Days**

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Payment of this invoice can be made using one of the following payment methods:

**Online:** Debit or Credit card payments [www.abc.co.uk](http://www.abc.co.uk)

**BACS or Bank Transfer:** Bank of Scotland, Sort Code: 123456, Account: 12345678

General account enquiries should be directed to [creditctr@abc.co.uk](mailto:creditctr@abc.co.uk)