

A background image showing a person's hands holding and interacting with a tablet device. The scene is dimly lit with bokeh light effects in the background.

ISP Invoice

Electronic invoice processing

Highlights

- *Scanning and automatic recognition of invoices based on FreeForm recognition*
- *Support of e-Invoicing for the electronic receipt of invoices*
- *Automatic matching of invoices based on purchase orders*
- *Comprehensive electronic archive for the ease of searching for invoices*
- *Monitoring function: monitoring the progress, including a reminder option*



Every year, the accounts payable departments of medium-sized and large organizations process tens of thousands of purchase invoices manually. That large amount requires a substantial part of the staff capacity within the accounts payable department. Consider the numerous manual activities, such as entry into the ERP system or the financial system, verification of accuracy, the routing for approval and archiving.

ISP Invoice offers the solution

By using ISP Invoice you can fully automate the processing of incoming invoices, both purchase order related invoices and expense invoices. In terms of processing time, savings may run up to 70 percent in FTEs. ISP Invoice can also be fully integrated into your existing ERP and financial system environment.

> Scanning and recognition of invoices

How does it work? The accounts payable departments that work with ISP Invoice scan the incoming invoices every day. A number of steps take place as part of this scanning process. First, the image of the invoice can be optimized for recognition and is saved in Tiff format. Then, the system will automatically recognise input fields such as supplier, invoice number, invoice amount, order number, etc. To do so, Optical Character Recognition and Intelligent Character Recognition are used. The recognition is based on FreeForm recognition. The great advantage of this is that employees do not have to create a template for every supplier. After the recognition, an employee validates the recognised data; he or she has a 'drag and drop' function available to them for this purpose. Not or not fully recognised fields can be easily modified with the click of a mouse. The system retains the indicated structure of invoices of suppliers that return often. These invoices can then be recognised faultlessly. After the validation, the system releases the invoices for coding or automatic matching.

> Line recognition

Working with line recognition is also an option. This can have added value with regard to invoices based on purchase orders where it is desirable to match these invoices automatically at line level. With the help of line recognition, the number of columns etc. can be set flexibly for each supplier, depending on the table structure. Line recognition could also mean added value in terms of lease and telecommunication invoices. Not only are lines recognised, but based on a telephone number or a number plate, the invoice line is automatically enriched with the correct coding and a complete proposed entry is generated.

> Processing of electronic invoices

It is a trend that clients receive invoices in PDF format more and more often. This is, however, not a practical process in terms of the current working method, since e-mails must be opened and PDFs printed before invoices can subsequently undergo processing. In addition, an extra procedure should be implemented to verify whether or not similar invoices have been received. We offer the possibility to install an ISP mail application which will automatically read 1 or more mailboxes with names such as for example: invoices@clientname.com. Attachments will then automatically be saved in a permanent directory. Invoices can be imported from this directory to the IDT 'recognise invoices' step. The application also sends an automatic email to the supplier, indicating that the invoice was duly received and will undergo processing. It is also possible to automatically process electronic invoices in formats such as EDI / XML / CSV. These will either be provided by the supplier in the correct format, or a one-time 'mapping' to the internal ISP Invoice format will take place. These invoices can subsequently be processed in an entirely automatic way, without any additional actions.

The archive can be searched for invoices in both a simple and extensive manner.



Invoice No.	Invoice Date	Invoice Amount	Status	Supplier	Invoice Type
123456789	2023-10-25	1234.56	Recognized	ABC Supplier	Standard Invoice
987654321	2023-10-24	5678.90	Recognized	DEF Supplier	Standard Invoice
111111111	2023-10-23	9876.54	Recognized	GHI Supplier	Standard Invoice
222222222	2023-10-22	3456.78	Recognized	JKL Supplier	Standard Invoice
333333333	2023-10-21	7890.12	Recognized	MNO Supplier	Standard Invoice
444444444	2023-10-20	2345.67	Recognized	PQR Supplier	Standard Invoice
555555555	2023-10-19	6789.01	Recognized	STU Supplier	Standard Invoice
666666666	2023-10-18	1011.22	Recognized	VWX Supplier	Standard Invoice
777777777	2023-10-17	4321.09	Recognized	YZA Supplier	Standard Invoice
888888888	2023-10-16	8765.43	Recognized	BCD Supplier	Standard Invoice

➤ Electronic archiving of invoices

Following the recognition phase, the system archives the invoice automatically. Because of this, the time-consuming manual archiving and even the associated expensive archive space become superfluous. In consultation with the tax authorities, you can even dispose of the invoices. Upon further processing of the invoice, ISP-Invoice automatically adds extra information to the invoice indexes, such as cost centre or project number. In the form of a digital 'Audit Trail', the system will keep a record of which employee dealt with an invoice, at which step of the process and at what time. In addition, there is a record of his or her decision. From this information, you will gain a total understanding of all relevant information pertaining to the invoice. Using the 'My Archive' function, employees can search for invoices in a simple way. They have around twenty index fields available to them to enable them to search for invoices.

With the aid of the "Audit Trail", you will gain insight into who performed which actions on the invoice and at what point in time during the invoice processing chain, right down to line level.

➤ Coding expense invoices

When starting this activity, the letterhead details of the invoice are already known and have been verified. In order to make an entry, an employee still has to code the invoice lines. With this, we mean that he or she has to indicate on which ledger account the invoice is to be booked. Furthermore, classification can be made on, for example, cost centre or project number. For the coding to be carried out faster and more efficiently, it is possible to create a coding template for each creditor. For this, you can create a default value for one or more of the fields to be coded. ISP-Invoice will show these default values for every invoice from the relevant supplier. However, you are able to overwrite these. Also, for periodically recurring invoices with many invoice lines (e.g. lease invoice), you can re-enter the lines anew from a past invoice. Then, you only need to modify the amended information instead of once again coding all lines. Finally, we offer the possibility to import an Excel file whereby the invoice lines will be created automatically in ISP-Invoice.

➤ Registering and booking invoices

Your ERP or financial system offers various possibilities which, through the integration of ISP-Invoice, we can connect to. For instance, it is possible to register invoices upon receipt on a balance sheet account 'invoices still to be authorised'. Your accounts payable position is then up-to-date and you are able to pre-deduct VAT. Once the invoice has been approved, the system enters the registered invoice into the costs without blocking this.

Another possibility is that, upon receipt, the invoice can immediately be entered into the costs, with a payment block. Has the invoice been approved? If so, the block is removed from the entered invoice.

Invoices based on purchase orders that do not match are automatically presented to the correct employee who, at a glance, has all relevant information available so that a decision can be made.

Lijn	Beschrijving	Hoeveelheid	Eenheid	Bedrag	VAT
1
2
3
4
5
6
7
8
9
10

➤ Automatic matching of invoices to total amount

ISP Invoice has a completely automatic matching function. The system supports the 2-way and 3-way matching principle. ISP Invoice automatically matches the total amount of the invoice, based on the invoice header information (supplier, order number(s) and total amount), with the balance of the remaining goods pertaining to the order numbers on the invoice for which an invoice is yet to be received. If these amounts correspond to one another, and are less or equal to the outstanding balance of purchase orders, the system will book the invoice automatically. A mismatch will occur if the remaining goods are not found or when a price and / or quantity discrepancy is detected. Once the discrepancies have been cleared up, ISP Invoice will automatically present the invoice for processing to the responsible purchaser, by way of advanced workflow. After this purchaser has made a decision in ISP Invoice with regard to the invoice, administrative completion will take place in a completely automatic fashion in the ERP system.

➤ Automatic matching of invoices on line level

It is also possible to perform automatic matching recognition on line level. ISP Invoice has an extensive 'business logica' for this purpose so as to link the invoice line to the correct line for goods received. Think of the order position number, article number, price, and quantity. The system subsequently verifies, per invoice line, whether or not the quantity and price are correct. A discrepancy list is generated automatically, per invoice, in the event of a mismatch, and ISP Invoice automatically presents the invoice for completion to the responsible purchaser. After this purchaser has made a decision in ISP Invoice with regard to the invoice, administrative completion will take place in the ERP system completely automatically.

The screenshot displays the ISP Invoice system interface. The top section shows invoice header information, including the document number (0011960030), company code (001 ISP Don Bosch), and vendor name (STAPLES). The status section indicates that the invoice has been claimed by the modconcor. The invoice details section shows the invoice date (4 februari 2016), invoice number (800256), and delivery number (145). The discrepancy list table below shows the following data:

No.	EOC	Ord.	Pos.	Desc.	Art.	Quantity	Unit	Amount	PR	Tax code	Tax amount	Price	Ordered	Received	Invoiced
1	D	0011960030	1	ignone 7	907	1.00	STUK	450.00	(+900.00)	0-BTW peen (0%)	0.00	450.0000	2.00	2.00	0.00
2	D	0011960030	2	ignone 5	905	1.00	STUK	600.00	(+1200.00)	0-BTW peen (0%)	0.00	340.0000	3.00	3.00	0.00
3	D	0011960030	3	ignone 63	906	1.00	STUK	500.00	(+1000.00)	0-BTW peen (0%)	0.00	500.0000	3.00	1.00	0.00
4	D	0011960030	3	ignone 61	906	2.00	STUK	1100.00	(+1100.00)	0-BTW peen (0%)	0.00	500.0000	3.00	2.00	0.00
5	D	0011960030	1	Staples Paperdiphouders Transparant	780518	1.00	PCE	7.14	(+7.14)	0-BTW peen (0%)	0.00	7.1400	1.00	1.00	0.00
6	D	0011960030	2	Staples Oefleuider papercipos 20 mm, meta	760258	1.00	PCE	3.28	(+3.28)	0-BTW peen (0%)	0.00	3.2800	1.00	1.00	0.00
7	D	0011960030	3	Staples Papercipos Vennskoid, 50 mm (pa	760204	1.00	PCE	4.25	(+4.25)	0-BTW peen (0%)	0.00	4.2500	1.00	1.00	0.00
8	D	0011960030	4	Staples Papercipos Vennskoid, 25 mm (pa	760300	13.00	PCE	105.95	(+105.95)	0-BTW peen (0%)	0.00	8.1500	13.00	13.00	0.00

Invoices based on purchase orders that do not match are automatically presented to the correct employee who, at a glance, has all relevant information available so that a decision can be made.

➤ Monitoring and authorisation

In ISP Invoice, you can set up a procurement flow diagram which will automatically route expense invoices to the responsible budget holder for approval. You can set up the procurement flow diagram in various ways, for example, based on cost centre or project number. You can also create the procurement flow diagram using a hierarchical model: the employee and manager relationship. The procurement limits are also determined in the diagram through roles, with which, following approval of the budget holder, the system will check whether the amount is within his or her authority and whether additional approval is needed. You can also determine all sorts of possible exceptions. For example, based on a selected supplier and/or ledger account, the invoice is automatically sent through

a different route. You can also define certain routes in advance. For example, to process the mismatches resulting from the automatic 3-way matching (check on receipt of goods, purchase order and receipt of invoice). With this, the system controls the type and degree of deviation that may be dealt with by the accounts payable department.

> Reminders

To have full control of the handling process, ISP Invoice has a comprehensive reminder function. Every employee who is given invoices to deal with receives an e-mail once or twice a day with a hyperlink to his or her summary of activities. By clicking on the link, ISP Invoice starts up automatically. Automatic e-mail notifications are also sent if, for example, the invoice has remained with an employee for more than a certain number of days, or if the expiry date has almost been reached.

> Reports and overviews

To quickly gain an understanding of the status of the current invoices, ISP Invoice has comprehensive overviews available. For instance, an employee can call up all current invoices, which are sorted by activity and responsible person. The accrual function offers the ability to generate an Excel spreadsheet at the month-end close, showing all invoices coded in ISP Invoice that have not yet been entered into your ERP or financial system because they have not yet been approved. You increase the reliability of the reports through this. In addition, we offer a management report module with comprehensive overviews of, for example, the matching percentage and the average turnaround time.

> Advantages

- *Automatic matching of invoices based on purchase orders; a saving of up to 70 percent is possible on your invoice processing costs*
- *You will no longer lose invoices during the approval process*
- *You decrease the total turnaround time of the process. This can, for instance, result in savings when a cash discount is given*
- *You have insight into the status of an invoice at all times. The 'Audit Trail' gives a full understanding of the total approval process of the invoice*
- *Interim entries into the financial system provide you with insight as to future expenses and required liquidity*
- *You have a digital invoice archive available, which allows managers and employees to search for invoices with ease*
- *You can quickly and accurately answer questions from your suppliers about unpaid invoices*
- *Comprehensive reports*

