

CCT - Collections - Operational Procedure Specificities NAM (SBS Curitiba)

Tasks to be completed when creating an operating procedure (from creation to publication)

1. Enter the **Title of the procedure**: Description of the operating procedure - Region (*APAC, EMEA, LAM, NAM*) - Country (*Optional*) - ERP (*PI 1, PF1, WP1*)
2. Add the following Labels :
 - Region: [apac](#), [emea](#), [lam](#), [nam](#)
 - ERP: [pf1](#), [pi1](#), [wp1](#)
 - Domain & Process using the [List of labels to be used in the space OtC](#)
3. Fill all fields as described
4. SAP transactions :
 - a. notify them on the right : References , Link the SAP transaction name notified here with the SAP transaction page registered in [the file](#) (page address)
 - b. notify the transaction SAP inside the document in the appropriate place and add a macro : Include Content - Search the name of the page and Save
5. Once the procedure is completed, publish it using the [SBS-OtC approval workflow](#)

Scope



ERP

References

Attachments

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1. Objective and Scope

1.1 Objective of this Procedure

This document aims to provide information and direction for collectors who deal with NAM customers. It will show the specificities NAM Customers have.

1.2 Scope

This procedure applies to all collector agents and coordinators who handle customer's requests. It also will provide best practices as guidance.

2. Payment methods

There are four main payment methods for North America customers:

- **ACH** , or Automated Clearing House, is a payment method that runs on banking networks in the United States. It allows customers to pay for transactions by debiting directly from their bank account, as opposed to processing through a card brand - *Takes up to 3 business days to reach Solvay's bank account;*
- A **wire transfer** is an electronic transfer of funds via a network administered by hundreds of banks and transfer service agencies around the world. The transfer can also be made in cash at a cash office.
- **Wire transfers** allow for the individualized transmission of funds from single individuals or entities to others while still maintaining the efficiencies associated with the fast and secure movement of money. Using a wire transfer, people in different geographic locations can safely transfer money to locales and financial institutions around the globe.- *Reaches Solvay's bank account on the same day payment is processed;*
- **Check** - paper check sent directly to Solvay offices - *Takes up to 7 days to reach Solvay's bank account;*
- **Overnight check** is a service provided as part of your online Bill Pay service. Overnight check determines the fastest way to process your bill payment and provides you with that expedited option for a fee - *Takes one day to reach Solvay's bank account.*

3. American Standard Units

- Calendar's Date:
 - MM/DD/YYYY
- Values (Dollar Amount):
 - 1,000,000.00 USD
- Units of measure:
 - Pounds (lbs.)
 - Gallon
 - Pallet
 - Tons

4. Company Codes:

Each Solvay company has a different code:

- Special Chem (3384/ 7424)*
- Soda Ash (4290)*
- Specialty Polymers (5782)*
- Novecare (7424)*
- Performance Polyamides (7424)
- Aroma Performance (7424)
- Coatis (7424)
- Peroxides (4290)
- Silica (7424)
- Technology Solutions (7008)*
- Mexico CC (5726/ 5720)
- Canada CC (7651/ 7752)

Attention: Do not include company codes 7424 and 7008 on statements.

5. Credit Note/ Invoice Cancellation/ Debit Note/ Sample /W9 Form

5.1 Credit Note:

A credit note, also known as a credit memorandum or a credit memo, is an official legal document, just like an invoice or a purchase order, that suppliers provide to customers to notify the customer that credit is being applied to their account any number of reasons. It's a way to issue full or partial refunds for invoices that have already been published or paid. You may give a credit note to your customers because:

- The customer returned goods or rejected services for any number of reasons;
- There was an overpayment on the original invoice;
- There was a mistake in price on the original invoice;
- The goods were damaged in some way during transit.

Credit notes should be issued when needed to cancel all or part of an invoice that has already been issued. It happens to keep accounting records straight since invoices cannot be deleted or edited once issued. Credit notes allow deleting the amount of the invoice from financial records without deleting the invoice itself. In the US, the UK, Australia, New Zealand, and some other countries, audit trails are legally mandated, meaning that deleting invoices is unlawful.

Credit memos may also be issued if a customer makes a change to an order after an invoice has been issued. Sometimes, sellers issue credits to a buyer as an act of goodwill when the original sales agreement did not have an explicit refund policy for returned items. This also allows the buyer to exchange the purchased items for others the seller offers.

Generally speaking, it is possible to use credit notes in any situation that would require an invoice to be changed and re-issued. The credit note is linked to an invoice; however, it is possible to issue them separately to be used against another invoice in the future.

Credit notes should not be confused with debit notes. Debit notes are a formal commercial document that's issued by a buyer to a seller as a way of requesting a credit note.

Credits are created when issues with the invoices are indicated, such as overpricing, over-quantity, short payment.

5.1.1 What to include on a Credit note?

The supplier should include the products, quantities, and the product or service prices agreed upon by both parties. The credit note commonly references the original invoice and states the reason for the credit note. It can be provided to the customer as money, or it can be applied to future purchases. Collections should opt to use it for future purchases rather than giving a cash refund.

For administrative and recording purposes for both parties, it usually also includes:

- The date the credit note is issued;
- The credit note number (this can be linked to the invoice number). Like the invoice number, this is added to ensure easy searchability in the system;
- Customer reference number;
- Payment terms;
- Contact details (company name, billing address/shipping address, VAT number/EIN).

However, not all companies provide all of this information on their credit notes. Some do not include the payment terms or contact details. If the original invoice included VAT, it must have a matching VAT credit note, which includes details of the invoice and the amount before VAT (taxes).

At the top of the document, it must be a credit note, not an invoice. This is to avoid any potential misunderstanding on the customer's side.

5.2 Invoice Cancellation:

When creating an invoice and realizing that it needs to be canceled, be aware that some legal restrictions are involved. Technically, you should never delete an issued invoice but instead, use a credit note to cancel the invoice.

Whether you use invoicing software or invoice templates, the invoice number should never be the same.

Invoices can be canceled when there are issues with the material being not delivered to the customer or is damaged or if a rebill is needed.

5.3 Debit Note:

A debit note, also known as a debit memo, is generally used in business-to-business transactions. Such transactions often involve an extension of credit, meaning a vendor sends a shipment of goods to a company before the buyer's cost is paid. The note tells the buyer that the seller has debited their account. Although real goods are changing hands, real money is not transferred until an actual invoice is issued. Debits and credits are instead logged in an accounting system to track shipped inventories and payments owed.

Debit notes are separate from invoices because they are generally formatted as letters, and they may not require immediate payment. This is true when the debit note is used to inform the buyer of upcoming debt obligations based on amounts that have yet to be officially invoiced. Debits are created when credit is wrongly issued or when a customer is under billed.

5.4 Sample:

A sample is usually a trial product sent from seller to potential buyer, who isn't traditionally charged for receiving it. Many countries will only accept your goods as a sample if they meet strict conditions. They are small amounts of material that are requested to test the product before ordering a full package.

5.5 W9-Form:

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A W-9 form is an Internal Revenue Service (IRS) tax form used to confirm a person's name, address, and taxpayer identification number (TIN) for employment or other income-generating purposes. An individual defined as a US citizen or a person designated as a resident alien can request the confirmation.

A W-9 form is also known as a Request for Taxpayer Identification Number and Certification Form, which identifies the IRS customer. Similar to Brazil's "Carta de CNPJ."

- The W-9 is an official form furnished by the IRS for employers or other entities to verify the name, address, and tax identification number of an individual receiving income;
- The information taken from a W-9 form is frequently used to generate a 1099 tax form, which is required for income tax filing purposes;
- The data collected by an entity on a W-9 form cannot be disclosed for any other purpose under strict privacy regulations.

[Click here to access W9-form online.](#)

6. Guidelines to Escalate:

- To Customer Service Representative:
 - Need a contact for a new customer.
 - Issues with material (Quantity).
 - Problems with the invoice (Price, PO#).
- To Sales Representative:
 - Payment Terms issue.
 - High-level escalation (Buyers and Supervisors).
 - Unresponsiveness of customers.
- To the Credit Department:
 - Orders on hold.
 - Assist Sales with the escalation.
 - If payment terms are wrong, Master Data is updated by them.

Please take a look at the [Collections Escalation Process](#)

7. Monthly Meetings:

- Each GBU holds a Monthly meeting with the Sales Team and the Collections Coordinator to discuss the major drivers for the current month.
- Risk Customers are identified, and action plans are made to assure payment within the month and reduce our overdue percentage.

8. Type of Accounts:

- **Regular Accounts:** The majority of our customers. No specific procedures for payments.
- **Supplier Finance:** The customer pays to a bank, and the bank pays us. Payments must be received before the due date.
- **Forfeiting Accounts:** Customer pays to a bank, and the bank pays us. Payments 30 days or more before the due date, and no residues are accepted.

9. Invoicing Methods

- EDI: Invoices are sent automatically via the SAP system. Each SAP system (Solvay's and customers) communicates and exchanges the data;
- Portal: Invoices uploaded to the Customer Portal;
- Email: Invoices sent via email to the customer;
- Mail: Invoices sent via regular mail to the customer.

Attention: Customer Service is responsible for making sure all invoices are sent to the customer on time.

10. How to find responsible Salesperson at SAP

1º Open transaction > ZZF_DOCUMENT_SM_CCS

2º Fulfill the fields below as indicated:

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3º You will be able to see the contact information of the CSR or Sales manager if escalation is needed.

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11. **Ship to/ Sold to/ Payer**

There are three types of customer accounts on SAP—the Ship-To, Sold To, and the Payer. We'll work mainly with the Payer, but CSR and Sales work with the other accounts. Sometimes all three types are the same and will have the same reference. If not the same, each location will have a different number.

- Ship to: Where the material will be sent to.
- Sold to: Who buys the material.
- Payer: The account that pays the invoice.

[Vocabulary Description](#)

End of document.