The objective of this procedure is to detail the actions related to the processing of invoices and credit notes, as well as the handling and tracking of disputes, by listing and explaining the expected elements and the roles and responsibilities of each party.

Procedure for Processing Invoices and Credit Notes in Villages Using COUPA

SC-P-WW-07

DIRECTION GLOBAL PURSHASING & SOURCING

Club Med ᴪ

Table of Contents

LIST OF FIGURES

LEXICON

CSP: Coupa Supplier Portal
RDS: Service Manager
FAM : Financial Manager
SAN: Supplier Actionable Notifications
VLS : Village Logistics Supervisor

Club Med | SC-P-WW-07 | Invoice and credit note processing procedure – May 24
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2

I) OBJECTIVES

The objective of this procedure is to detail the actions relating to invoice and credit note processing by listing and explaining the expected elements as well as the roles and responsibilities of each party.
This document applies to all Club Med Supply Chain personnel (BU and Resorts) involved in invoice and credit note with Coupa.
For Resorts not yet using Coupa, refer to local operating procedures.

⚠️ **The Accounts Payable Service's responsibilities can be assumed by another service according to local organization**

II) ROLES AND RESPONSIBILITIES

ROLES	RESPONSIBILITIES
Accounts Payable Service	Proceeds invoice in Coupa module
	Matches orders with invoices
	Enters Tax / VAT codes
	Approves requests to update supplier payment details
	Identifies credit notes and matches them to invoices
	Proceeds payments of invoices
	Records invoices in COUPA if received on paper (scanning / manual entry)
	Communicates with stakeholders for invoice tracking and adjustment during the processing
VLS	Handles discrepancies between received quantities and invoiced quantities
	Report billing issues with the supplier incident form
	Communicates with stakeholders for invoice tracking and adjustment during the processing process
	Explain the reasons for rejecting an invoice through a comment to the procurer
	Add a precise and clear comments if necessary by tagging the relevant person
Procurer	Generating reports on invoices in dispute status
	Supervises and monitors the resolution of minor incidents
	Leads improvement plans with suppliers
	Validate invoice's rejection according to the VLS's explanations
	Communicates with stakeholders for invoice tracking and adjustment during the processing
Buyer	Handles invoiced price discrepancies
	Supervises and monitors the resolution of major incidents
	Establishes solutions with suppliers
	Communicates with stakeholders for invoice tracking and adjustment during the processing
	Add a precise and clear comments to the supplier or privately by tagging the relevant person
Financial Manager	Notified of invoiced descrepancies > 100€
	Receives and verifies the invoice if received by email/post according to local organization
	Send the invoice to accounting or process it according to local organization
Supplier	Create and transmit the invoice
	Create and transmit the credit note
	Adds comments if needed
	Processes invoices in dispute status on Coupa if the invoice was entered on the portal by the supplier

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3

III) RELATED DOCUMENTS

[Reception/invoicing tolerance](#)
[Coupa_ Sheets 10- How to process an invoice at the CSP.pdf](#)
[Coupa_ Sheets 11 - How to process an invoice outside CSP.pdf](#)
[Coupa Fiches 13- How to process a deposit invoice.pdf](#)
[Coupa_ Sheets 17 - How to process an invoice awaiting receipt.pdf](#)
[Coupa_ Sheets 12 - Process and manage a credit.pdf](#)
Coupa FAQ (available on the home page):

- How do I know the status of my invoice?
- How to know if the receipt has regularized the disputed invoice
- What to do if the request is in "action pending receipt" status

[Book Procurer Logistician](#)

IV) CONTROLS

The Internal Audit and Supply Chain-Logistics Methods departments can carry out checks at any time to ensure the correct application and compliance with procedures.

It ensures the detection of possible misunderstandings or anomalies and therefore, taking the action of updating the documents involved if necessary.

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This document supersedes and replaces all previous versions

4
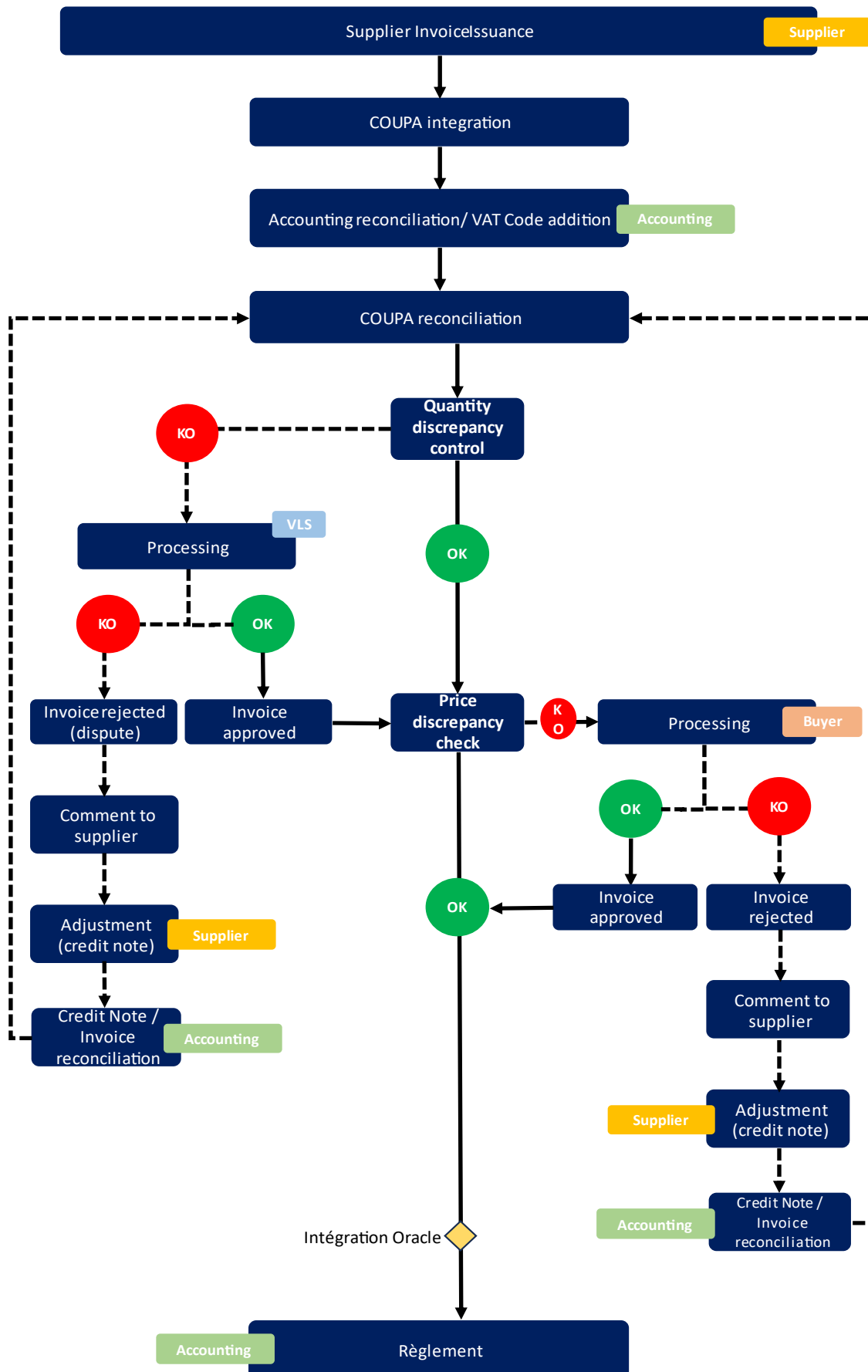
Figure 1- Billing processing flowchart

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5

a. General billing

Any expenditure, purchase of goods or services, must be the subject of an order in Coupa.
The reference must be mentioned on the invoice issued by the service provider/supplier so that it can be reconciled and facilitate the payment process. (See *Annex 1 - From order to payment*)

⚠️ **Invoices without an order number must be returned to the supplier.**
In case of a recurring missing number on invoices from the same supplier, accounting declares a major incident and a solution must be put in place by the buyer with the supplier.

Before it can be validated for payment, the invoice is subject to various stages of checks. See *Figure 2.*
Invoice reconciliation, processing and necessary approvals are handled entirely within Coupa.
Invoices are then transferred to Oracle for payment.
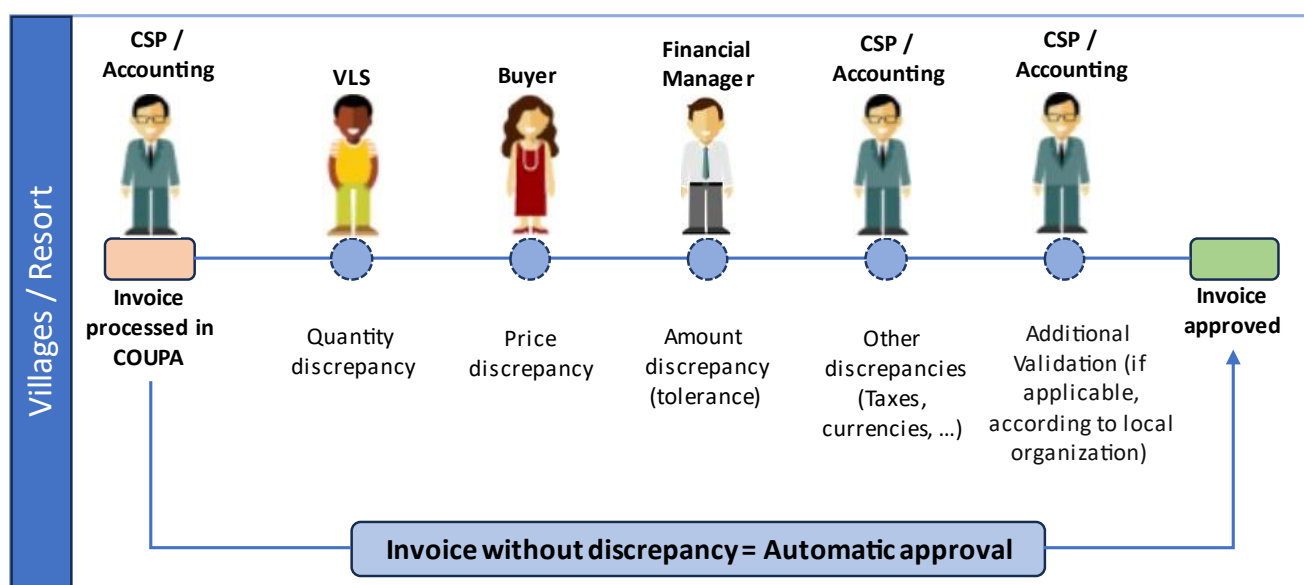
Figure 2- Invoice validation process in Coupa

i. Issue / Integration

The supplier will issue its invoice and transmit it through different channels:
- By email / paper
- Via the Coupa Supplier Portal (or SAN)
- In dematerialized form (cXML)

The invoice is integrated into Coupa using different methods:
- Via *Itesoft* and transferred to Coupa
- Directly from Coupa: Coupa Supplier Portal, SAN, cXML.
- Manually in the Coupa Invoice module

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6

ii. COUPA integration

Once integrated into Coupa, the system performs various checks (see **Erreur ! Source du renvoi introuvable.**

- **Booking Hold** : payment details check. If the supplier submits an invoice with a payment address not recognized in Coupa, it will be placed on hold (Booking Hold). The applicant must contact the supplier to re-register their invoice with a correct payment address or to update their data via a form. Accounting then validates the update and associates the new bank details with the invoice, which allows the Booking Hold to be released.

- **AP Hold** : checks whether the invoice meets the requirements (missing order number, missing requester, special nature, etc.) and that it has not been put on hold.

- **Match processing** : checks if a purchase order/receipt note is required
  - 2 way matching : service invoices (Rent / Insurance / Telecom / Energy) must be associated with a purchase order and correspond to it completely.
    Otherwise, the invoice will be placed on hold and will need to be approved by a reviewer.
  - 3 way matching : Goods invoices must be associated with a purchase order **and** a receiving note and match them completely.
    Otherwise, the invoice will be placed on hold and will need to be processed.
    It will be automatically validated when the reconciliation completed.

- **Tolerance range control** : According to predefined tolerances between the invoice and the purchase order/goods receipt (price, quantity, UOM, etc.). 💡 See document: Receiving/invoicing tolerance

- **Approval chains** : depending on the case, the invoice may be:
  - Rejected : the invoice is disputed and a comment is sent to the supplier for resolution
  - Accepted : The invoice is approved and ready to be paid

⚠️ **If an invoice cannot be reconciled, the relevant department is alerted to resolve the anomaly and regularize the situation.**

Booking Hold	AP Hold	Match Process	Tolerance Check	Approval Chains
Coupa will perform its first check on the remit to address. Invoices will go on booking hold if the supplier's entered address doesn't have a match within Coupa.	Coupa will perform its second check to verify that AP has not manually put a supplier on hold.	Coupa then determines if a receipt is required; if yes, and the receipt is not entered, the invoice will go into pending receipt.	If the invoice passes the first three checks, Coupa then verifies against a series of invoice tolerances.	Finally, Coupa checks the invoice against a series of approval chains

Figure 3- Coupa Controls for Invoice Reconciliation

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7

iii. Payment

Once the invoice is approved in Coupa, it is integrated into Oracle and ready for payment.
Invoices reconciliated in Coupa without discrepancies are automatically approved and integrated into Oracle. See *Figure 2*

Warning ! There may be interface rejections between COUPA and Oracle. These rejections must be regularly monitored by the Accounting and Finance departments

iv. Special case for logistics invoices

Invoices from our logistics providers (transport, customs, freight forwarder, CCI, etc.) require special processing so that a COUPA order can be attached to the invoice:

- The invoice must be transferred in digital format by the supplier or accounting to the international logistics department according to the method in force within the scope. Otherwise it must be scanned and sent by the invoice recipient.
- A free text order with the amount must be entered in COUPA (by international logistics) and respect these points:
  o One order line per VAT
  o Use of designation and project code for classification and logistical tracking.
  o Attach the digitized version of the invoice to the Coupa order.
- After validation of the hierarchy according to the approval workflow, the order must be received electronically by the person who placed the order.
- The invoice and the COUPA order reference must be communicated to supplier Accounts payable with Itesoft for CSP France or by e-mail for the rest of the world.

💡 For more information, refer to the Coupa 4.A sheets - External Service Purchase Request in Resort And 4.B-Request for external purchase of office service

ℹ️ **For villages outside the CSP, refer to the local organization**

b. Discrepancy control and processing

When an invoice is submitted in Coupa, the system checks that both a purchase order and a goods receipt are present to reconcile the invoice. It identifies discrepancies based on several factors:
- Invoiced quantities
- Catalog prices
- Tolerances

If a price or quantity discrepancy is detected, the invoice is placed on hold and must be regularized by the relevant department, so it can be approved and sent for payment.
If tolerance conditions are not respected, the invoice must also be verified and approved by the Financial Manager.
💡For more details, refer to Coupa sheets 10 and 11 - How to process an invoice at the CSP and outside the CSP and to the document Tolerance reception/invoicing

⚠️ **Any incident concerning the order, invoice or contract must be reported in Coupa with the supplier incident form** 💡 See Coupa sheet 16 Declare and process an incident with the form

<ol type="i">
– invoice "DA – pending receipt"

Invoice lines are matched with order and receipt lines.
If the invoiced quantities does not match the received quantity or if the receipt is missing, the invoice status changes to" DA *pending receipt receipt*"

The VLS must go to the " *invoicing* " tab and filter the invoices marked as " *pending receipt* "
- *If there was an error in the received entry* or if the invoiced quantity is accepted : check the receipt details and make or correct the entry so that the invoice can be reconciled and validated.
- *If the order has not been fully delivered* or if the invoiced quantity is not accepted :
  The VLS must enter a reason for rejection through a comment specifying **the references / name / problem / line's number** concerned to send the most accurate request for regularization to the supplier.
  It mentions the procurer for verification, who will then validate the rejection and flag the invoice as disputed.
  Any incident noted upon delivery must have been reported before with the supplier incident form.

💡For more details, refer to Coupa sheets 17 How to process an invoice pending receipt , 16 How to report and process an incident with the incident form , Supply Chain practical sheet Handling a logistics dispute

⚠️ **The supplier may send an invoice before the order is delivered. It is imperative to check the status of the delivery and wait for receipt and inspection of the goods before rejecting the invoice to avoid unnecessary dispute. Any invoice in DA – awaiting receipt must be commented.**

<ol type="i" start="2">
Price discrepancy - "pending approval" invoice

If a discrepancy is detected between the catalog price and the invoice price, a workflow is automatically sent to the **buyer** to regularize the situation:
- If the price invoiced by the supplier is correct : the buyer validates the workflow and processes the pricing error with the Catalog Manager
- If the price invoiced by the supplier is incorrect : the buyer disputes the invoice and its status changes to "disputed". Enter a reason and a comment specifying **the references / name / problem / line's number concerned** to send the most accurate request for regularization to the supplier.

ℹ️ If the invoiced tolerance discrepancy exceeds €100 and/or is more than 5% of the total amount ordered, the invoice must also be checked and approved according to the approval workflow set in the tool.

i.   Processing of disputed invoices

When a discrepancy is reported between the invoice and the receipt and/or the order and the VLS/Buyer/Financial Manager has confirmed the invoice's rejection, it is then contested and marked as disputed.
A comment is sent to the supplier requesting a credit note to regularize the invoice..

Once the credit has been issued by the supplier, it can be processed:
- By Coupa if the supplier has submitted the credit note with the supplier portal. The system will perform the reconciliation.
- By accounting, which will reconcile it with the credit line and re-validate the invoice

⚠️ **The invoice status must be changed to "approved" to confirm the end of processing .**

If the credit does not regularize the invoice, it will remain in dispute status until a new credit note is issued.

⚠️ **All stakeholders must communicate as much as possible to ensure the invoice is approved.**

💡For more details, refer to Coupa sheet no. 12: Processing and managing a credit note and to the Coupa FAQ: How to know if the credit note received has allowed the invoice to be regularized
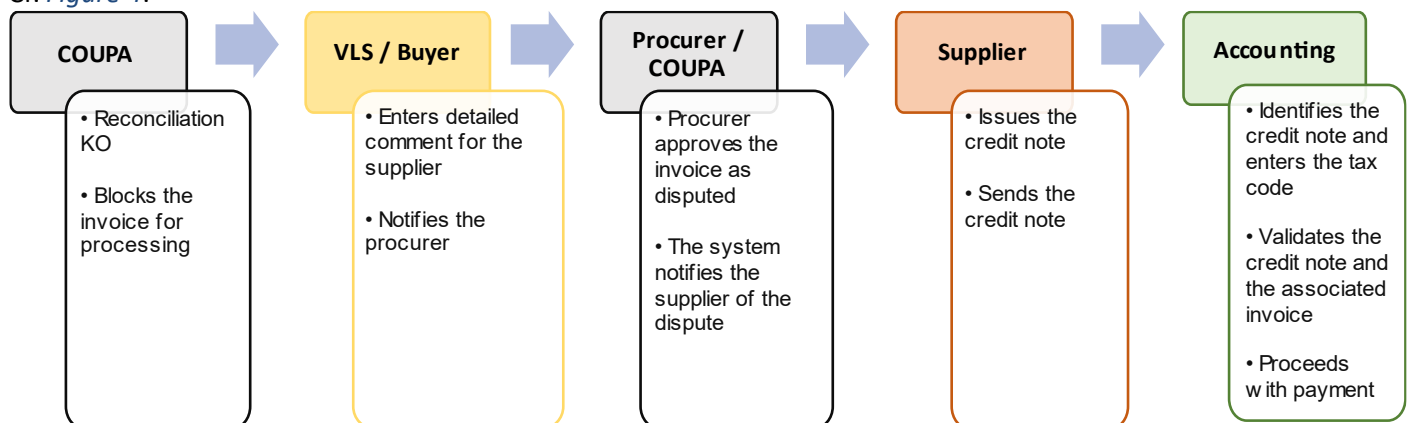
Cf. *Figure 4*:

COUPA	VLS / Buyer	Procurer / COUPA	Supplier	Accounting
• Reconciliation KO • Blocks the invoice for processing	• Enters detailed comment for the supplier • Notifies the procurer	• Procurer approves the invoice as disputed • The system notifies the supplier of the dispute	• Issues the credit note • Sends the credit note	• Identifies the credit note and enters the tax code • Validates the credit note and the associated invoice • Proceeds with payment

Figure 4- Credit Note Processing

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10

ii. Supplier incidents

Any incident concerning the order, invoice or contract must be reported in Coupa with the Supplier Incident Form. The incident may be:

- **Minor** : If the incident has a temporary operational impact on Club Med's activity (quantity discrepancy, quality issue, poorly wrapped pallet, etc.), and a corrective action related to the order needs to be implemented between the procurer and the supplier..
- **Major** : if the incident reflects a significant breach of contractual obligations and a structural solution between the buyer and the supplier must be found.

⚠️ **If the incident concerns a Facility Management order/invoice/service provision (telecom, energy, etc.), it must be declared as a major incident and handled by the buyer.**

People responsible with the dispute must implement action plans with suppliers to limit the recurrence of disputes and thus improve the efficiency and speed of invoice processing.

💡 For more details, refer to the Coupa 16 sheet Report and process an incident with the incident form

ℹ️ It is essential to ensure good communication between all stakeholders (Procurer/Buyer/VLS/Supplier/Accounting) to ensure a quick resolution of the dispute and validate the correct payment of the invoice.

d. Delegations

To ensure continuity of operations during off-seasons, permanent closures or planned absences, the various stakeholders (procurer/Financial Manager) must delegate their approval capacity to designated persons who are authorized to approve current transactions.
This in order to prevent any delays in processing and, therefore, in paying the invoice.

💡 Refer to the COUPA End of season delegation sheet and to the FAQ available in the COUPA online help tool 🎧

ℹ️ A checklist is available to Financial Manager to ensure that all control points are properly addressed.

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This document supersedes and replaces all previous versions

11

- Annex 1 - From order to payment