भारत संचार निगम लिमिटेड
( भारत सरकार का उपक्रम )
**BHARAT SANCHAR NIGAM LIMITED**
(A Govt. of India Enterprise)

No. 2-14/2020/BSNL/RM-I/CFA/FMS-ERP                                      Date: 22nd Dec., 2020.

**To**
**1. Heads of all Telecom Circles and Telecom Districts**
**2. CGM, ITPC, Pune**
**Bharat Sanchar Nigam Limited.**

**Sub: Business Process changes in the processing of FTTH / BWSP/ EPABX invoice.**

1. Business Process of FTTH Invoice processing has been implemented from Oct., 2020. ITPC Development unit has developed modules in FMS for proper reconciliation of OTF paid and Invoice Payments w.e.f. April, 2020 revenue share month. The changed process makes payment of vendor invoices in revenue share module more secure and also faster.

2. A Single consolidated Provisional invoice with unique Invoice Number will be generated in FMS based on Dealer id and ERP Customer Code for each month of all revenue shares. One invoice per Dealer id per month for each SSA for FTTH Franchisee and Circle wise invoice in case of BWSP / EPABX will be generated by FMS.

3. FMS will be posting OTF Paid and Gross Revenue share Payable without GST to ERP system for each month. On receipt of Invoices from Channel Partners (both GST registered and unregistered), necessary Liability with taxes will be created in the ERP system through T. code. Designated officer in SSA will process invoice using FB60 and followed by sales order SD32 in ERP and then will impose SLA penalty amount. SLA details are available in FMS shall be reviewed by Circle / SSA to recover SLA Penalty at the processing Stage. OTF will not be editable but net revenue share payable will be editable for reduction of amount, if any.

4. ERP has implemented SD32, FTTH invoice Process which allows payment of invoice amount as Wallet balance. Circles / SSAs have to generate sale order SD 32 in ERP for the monthly invoices before 30th of the following month for proper accounting of OTF paid. Circles / SSAs are instructed to reconcile the OTF paid up to August, 2020 manually and compliance is to be given to BSNL CO.

5. The Invoices prior to April 2020, or invoice containing revenue share prior to April, 2020 shall be processed as normal invoice and paid through CSC.

6. For the process detail, document published by the ITPC in FMS may be referred (Annexure).

7. Any Bills payable to vendor which are not part of the FMS invoice or manually computed shall be paid through CSC and there is no provision to pay into the Wallet.

8. In case of any query, the matter may be taken up with ITPC, Hyderabad and nodal section i.e. NWP-BB, CO, BSNL.

This has the approval of Director (CFA), BSNL Board.

**Encl.: Annexure.**

**(P. D. Chirania)**
**Sr. GM (Finance)-CFA**

Copy to :
1. IFAs of all Telecom Circles and Telecom Districts, BSNL.
2. Sr. GM (Finance) – CA & ERP-FICO, CO, BSNL.
3. GM (NWP-BB), CO, BSNL
4. GM (CFA), CO, BSNL.

**FMS FTTH revenue share/OTF Processing through ERP**

**Introduction to FMS Invoice processing:**

        Bharat Fibre, Air Fibre, BWSP, ISDN, EPABX & LC Revenue share invoices are processed and published. The revenue share is based on agreement and varies from franchisee code to franchisee code for the same TIP /Vendor.

        These invoices are presented to TIP / Vendor along with the Data, made available to FM and AO of the SSA for Verification.

        The invoice for Bharat Fibre and Air Fibre are processed and paid for Wallet currency into FTTH Wallet. For this, processing is done using FB60 and followed by Sales orders for FTTH Currency. While processing these invoices, OTF paid into the wallet during Bill collection is recovered as advance paid to vendor in the invoice. ERP has implemented SD32 for FTTH invoice Process which allows payment of invoice amount as Wallet balance.

        BWSP is also working on Wallet and revenue share is paid in the Wallet after adjusting the advance amount credited into the wallet during the bill collection. OTF credited is limited by giving margin for SLA recovery.

        The other Vendors' Invoices are presently paid using regular Process of SES/MIRO, paid on Cash basis.

**Grouping of the TIPs and BWSP into single entity for Wallet**

        Several Franchisee Codes are assigned to each TIP based on the discretion of the SSA and sometime based on the number of agreements, while in some cases it was done to differentiate the connections area wise as per Area Manager concept. This would have required separate wallet for each franchisee code and some franchisees operate in several SSAs or States. In order to minimise the hassle of managing multiple wallets, franchisee codes were clubbed under single user name in FMS and Single dealer ID in FTTH Wallet.

        ERP Customer code has remained the same for all entities and in few cases multiple ERP codes were created.

**Invoice Generation**

        Separate invoices were generated for each TIP based on Category code. Now with introduction of IIA and IIIA, on the same OLTE connections in II, III co-exists for the same franchisee code.

        Since all the invoices need to be generated against single dealer ID /ERP Code, the potential issues to be addressed are:

        Splitting the data into SSA wise for multi SSA TIPs.

        Splitting data into Circle Invoice for All India Vendors.

**Details of the Process**

        After implementation of FTTH Wallet system, the franchisees are being given OTF advance which is credited instantaneously in their wallet for the bills collected. At the end of each month, FMS is providing provisional invoice to the franchisees wherein the OTF is adjusted against the revenue share to be paid for them in that particular month. This OTF is supposed to be entered in ERP system by SSAs while paying the invoice submitted by the franchisees. But it is observed that SSAs while paying the revenue share in ERP to the FTTH franchisees, OTF paid to the franchisees are not being posted properly in ZOTF of ERP. Due to this, FMS is not in a position to reconcile the OTF paid to the franchisee with the ERP invoices. It is observed that few SSAs are doing net-off and seeking Invoice for the Balance amount due and processing without OTF. This results in non-accounting of the OTF amount as expenditure and consequent GST non-compliance.

        Some SSAs have paid the balance payable using SES/MIRO Route and the amount was paid by cheque. SD32 procedure was not used by them for settlement of the bills.

**The data entered in ERP by the SSA is not consistent and the data could not be mapped to FMS invoice and OTF, as period of processing is entered as per the month of processing instead of the period for which it is paid.**

<u>**New Model:**</u>

To have a proper reconciliation between FMS paid OTF / Revenue share and ERP paid revenue share, it is required to post OTF amount directly in ERP by the FMS against TIP, so that it is accounted for by ERP while processing the invoice.

Presently, SSAs are following the method of SD32 and FB60 to process the franchisee revenue share. This will continue to be done by the SSAs manually because the revenue share/OTF is being paid based on the customer categorization and FTTH category like TYPE II/IIA/III/IIIA/IV and V.  <u>This categorization can only be verified by the SSA franchisee managers only as independent check is not possible at invoice generation level.</u>

The following process is to be followed for FMS/ERP teams:

1. Provisional Invoices will be generated in FMS based on Dealer Id or ERP Customer Code for each month.
2. There will be only one invoice per dealer Id (or ERP customer code) per month for each SSA/ each Circle in case of BWSP/EPABX (Centralised Payment process exist).
3. Various revenue share types generated based on the category to a particular Franchisee in a month will be merged on Dealer Id.
4. Consolidated invoice will have all necessary components as prescribed by ERP**. (Annexure-I )**
5. Net Revenue share amount payable in ERP will be editable **for reduction of amount only** and the OTF will not be editable.
6. SLA Penalty can be recovered at the processing stage.
7. This online posting of FMS invoices into ERP is to be implemented for prospective invoices only from the month of rollout of module.
8. Status of invoice at ERP will be shared to FMS which will be displayed in FMS portal to the concerned franchisees.
9. Tracking of all the invoices and OTF paid will be done in FMS.

**Note:**

**FB60 Creation and processing will be done in Second phase.**

**Invoice submission will be manual as verification is required by FM.**

**OTF is paid which is more than 50% of the amount Due.**

**ANNEXURE – I**

| S. No | Field Name | Data Type | Remarks |
|-------|------------|-----------|---------|
| 1 | Fms_invoice_no | Varchar2(30) | Primary Key |
| 2 | Fms_invoice_date | Date | |
| 3 | fms_inserted_on | Date | Sysdate |
| 4 | Erp_Flag | Varchar2(1) | N  or Y |
| 5 | Erp_Date | Date | ERP Data Receive Date |
| 6 | Erp_org_code | Number(4) | ERP Defined Codes |
| 7 | Erp_ba_code | Number(4) | ERP Defined Codes |
| 8 | erp_customer_code | Varchar2(20) | ERP Defined Codes |
| 9 | dealer_id | Number | |
| 10 | invoice_period | Varchar2(8) | Eg. SEP-2020 |
| 11 | revenue share_type | Varchar2(5) | Eg. FTTH/ISDN/BWSP/AF |
| 12 | revenue share_payable | Number | |
| 13 | Otf_paid | Number | |
| 14 | Net_payable | Number | Penalty to be imposed by SSA |
| 15 | Fms_zone | Varchar2(2) | SZ, EZ, NZ, WZ |
| 16 | Fms_circle | Varchar2(2) | Eg MH, AP, MP |
| 17 | Fms_ssa | Varchar2(3) | Eg. PUN, GTR , HYD |

**ERP PROCESS:**

FMS will be pushing data i.e. revenue share payable amount without GST and the OTF advance paid to the partner. As per the directions of Director (CFA), ERP may modify the process to push the amount to FTTH Wallet with the approval of SSA Designated officer in the ERP.

**ERP has existing process as detailed below for processing balance payable in to the wallet.**
**I. FTTH Revenue share Invoice Posting.**

1. A separate Account group Z021 – BSNL FMS Vendors has been created in the production system. All the Channel Partners customers who are eligible for the FTTH revenue share amount have to be created as Vendors also in SAP Production system under this account group. It has to be ensured by Circle that corresponding Customer Code also exists in the production system and the same is updated in Vendor. For example, Karnataka Circle has created ABC Limited as Customer in SAP (Customer code 1001) for the purpose of selling FTTH and this Customer is eligible for FTTH revenue share. Now this Customer has to be created as Vendor also under Account group Z021 in SAP. On creation, this vendor code is to be updated in Customer Master and Customer Code (e.g. 1001) has to be updated in vendor master of ABC Limited.

2. On receipt of Invoices from Channel Partners (both GST registered and unregistered), necessary Liability with taxes is to be created in the system through T. code MIRO/FB60. The invoices already posted through MIRO can also be paid through this route.

3. Necessary workflow will also be activated and the same has to be approved by competent authority. After removal of Payment block, the invoice will be open for creation of sales order for issue of STOCK.

4. The Claims Officer of the Business Area and Central Settlement Cell (CSC) has to ensure that all invoices posted under account group 'Z021' and paid in the form of STOCK are excluded from payment.

5. The Revenue in lieu of FTTH Revenue share to be given to the Channel Partners has to be posted through Sales and Distribution route. It has to be ensured that the revenue share invoice is duly approved (payment block is removed) before posting revenue invoice.

6. After posting of Revenue Invoice, the user should check that the amount receivable and payable to the Channel partner is duly reconciled and has to do the necessary clearing (clearing of Customer and Vendor Line items) by using T. code F-32.

Following Additions are there in posting of Franchisee FTTH Revenue share Invoices:-

**1. Franchisee Invoice does not involve any LD/Retention.**
This process is already available in ERP. The user will post the Invoice through PO/FB60 route and initiate workflow for approval. Once it is approved, necessary sales order/Invoice will have to be created through SD Module with reference to PO/FB60 document and amount will be credited in the wallet of franchisee in PYRO system. It has to be ensured that OTF amount already credited in the wallet (and shown in the Vendor invoice) is taken care of at the time of creating sales order in SD Module.

**2. Franchisee Invoice involves LD or LD and Retention or Retention only.**
The user will post the Invoice through PO/FB60 route and will propose LD or LD and Retention or Retention at the time of initiating workflow for approval. Once it is approved, necessary sales order/Invoice will have to be created through SD Module. In this case, the sales order/Invoice has to be created with the net amount payable (i.e. Amount payable to Vendor as shown in FB60/MIRO Document Less LD amount Less Retention amount). This amount will be credited in the wallet of franchisee in PYRO system. It has to be ensured that OTF amount already credited in the wallet (and shown in the Vendor invoice) also is taken care of at the time of creating sales order in SD Module.
The GST Invoice has to be issued for the amount of LD deducted from the Invoice of the Franchisee as per the existing process available for issuing LD Invoices/Setting off LD Clearing GL.

### 3. Issue of Stock in lieu of Retention amount.

The retention amount deducted from the invoice of the franchisee has to be first transferred from special GL Indicator to normal vendor using T. code F-04, Document Type – RR. The workflow will get activated on this document and after approval, Sales order and Invoices have to be generated through existing SD Module process and the amount will get credited in the wallet of Franchisee. The Sales orders have to be created by entering the new document number generated using T. code F-04 in PO field of Sales Order.

It has to be ensured that the invoices against which stock has been given should not be paid by CSC. For this one more enhancement has been done in system that once sales order is created, the vendor will be blocked again for payment with payment block 'K' and user will not be able to remove it. Once the Invoice is generated through SD route, the necessary clearing have to be done between Customer and Vendor franchisee using T. code F-32. It may also be noted that all FTTH Franchisee Vendors should be created under Vendor Account Group Z021 – FMS Vendors.

This new process will work smoothly for all new cases but users may face few issues in old cases (involving LD) posted prior to October' 2019, for which they can raise Mantis to FICO Core team.

The necessary reconciliation has to be done by Circles/BAs to ensure that OTF already paid are taken care of at the time of creation of Sales order. It may kindly be noted that retention/LD amount should not be clubbed with OTF amount at the time of creation of sales order.

### II. FTTH Revenue share amount to be given to the channel partners in the form of FTTH Wallet.

1. Sales order is to be created through the option provided under ZCMSALES Menu. Sales order type is ZFTC. Sales area is 10XX 02 11
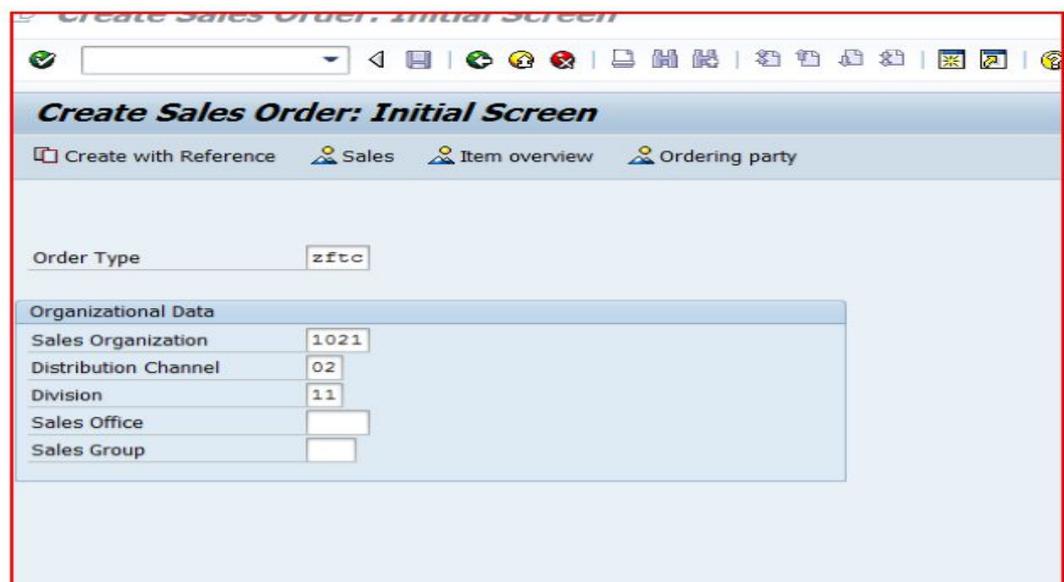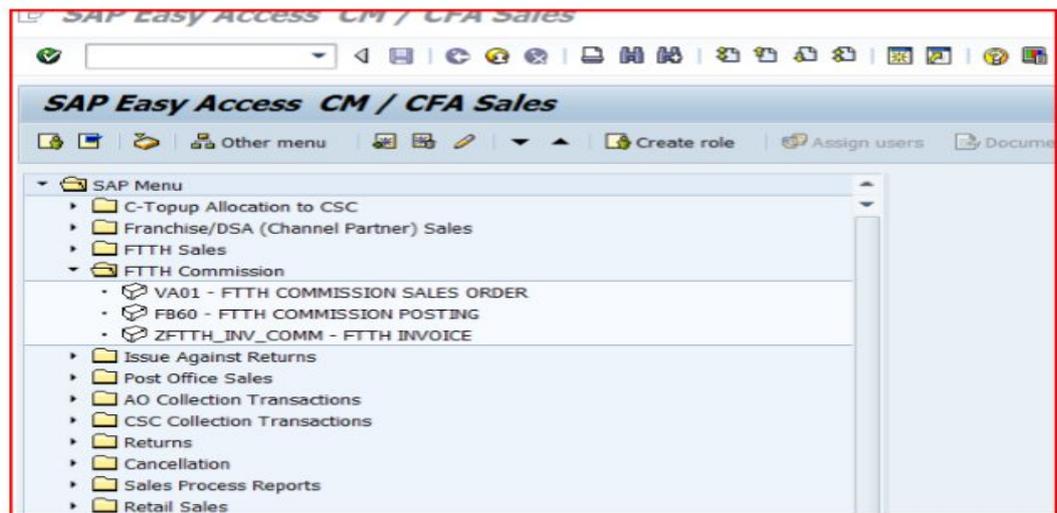
2. Enter customer code of FTTH and material code of FTTH is 52000568.
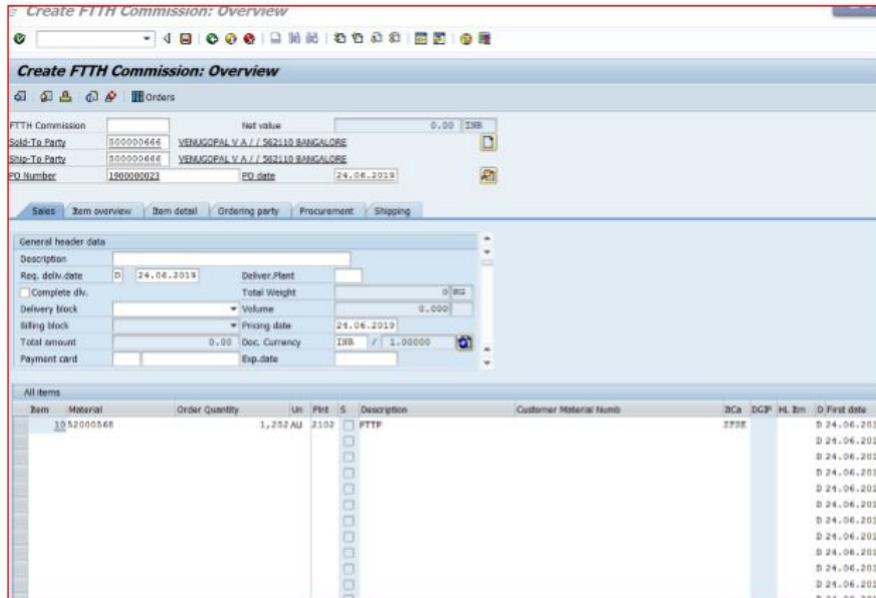


3. PO field is made mandatory and user has to enter the accounting document number and posting date generated at the time of revenue share posting through FB60/MIRO.

4. User has to enter the revenue share amount under condition Tab of Header against condition type ZHBO and press enter. (There is a validation check in the system. User has to enter the same amount by which vendor is credited at the time of revenue share posting through FB60/MIRO after doing rounding off to the nearest rupees).

The four validations built for order type ZFTC are:

a.    The accounting Document and posting date should be FB60/MIRO document with the same company code and, otherwise error message "FB60/MIRO Document is not correct".

b.    The Customer code should be assigned to Vendor code (In Control view of Vendor master), otherwise error message "FB60/MIRO Document is not with correct Vendor".

c.    The Amount credited to Vendor account in FB60 should be equal to Order Value, otherwise error message "FB60/MIRO Value is not matching with Order Value" Order value = ( Vendor Credited Amount -  Retention Amt if any – LD Amt if Any )

d.    The FB60/MIRO document should be unique number and should have not been referred in any other sales order, otherwise error message "FB60/MIRO Document already referenced".

5. User has to enter the same amount as was entered under condition type ZHBO in the order quantity field.

6. The revenue share amount already paid in the form of OTF has to be entered manually against the condition type ZOTF.

7. A new field of FMS Invoice number and FMS Invoice date is enabled under Additional Data B Tab of Header of sales order. User has to enter both the values from the FMS Invoice output and reconfirm it from the Invoice output submitted by the channel partner and cross verify it with the Report (T-code ZSD_FTTH_OTF) available under ZCMSALES Menu.   Entered ZOTF value in sales order has to match the value updated in the FTTH OTF Paid report.

8. If FMS Invoice Number is used in any sales order, than same FMS Invoice number will not be used it again in the subsequent sales orders.

9. In case of payment of retention amount to the channel partners, there is no need to enter FMS Invoice Number and FMS Invoice date in the fields provided under Additional data B of the Header.

**10. Wallet will be credited with the value of ZHBO-ZOTF.**

11. Create Invoice through ZCMSALES Menu with options provided sale of FTTH revenue share under Franchisee sales.



Proxy data will be sent to FTTH server for the credit of Wallet with the value ZHBO-ZOTF.

In Payment of Retention Amount through Sales order, ZOTF will be entered as Zero (0).

**The designated officer in SSA who is authorized will apply penalty in ERP.**

**ERP should be Paying the balance amount and GST amount post submission of the invoice by the partner into the wallet.**

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