



ERS Frequently Asked Questions (FAQ)

Note: *This is intended for suppliers who receive Purchase Orders from Cargill business using SAP and using self-billing — also known as Evaluated Receipt Settlement (ERS) — in doing business with Cargill. Please refer to this document on our Supplier Central webpage as we update the information on a regular basis.*

What is SAP?

SAP is a type of software system known as an ERP (Enterprise Resource Planning). This type of system allows business to utilize one system for multiple process areas.

What is Cargill's self-billing approach?

In general, our self-billing approach is designed to streamline the process of payments sent to you, our suppliers. Once the purchase order is confirmed by you, our supplier, and the goods are received by Cargill, we will create a voucher and pay you per the received goods, thus eliminating the need for you to create and submit an invoice.

Please explain the self-billing process.

Cargill will create a purchase order which will need to be confirmed by you, our supplier, validating that all data on the purchase order is accurate. Cargill will then pay you based on the purchase order after receiving the goods and related receiving documents (e.g. sales order, bill of lading, etc.) This process eliminates the need for you to create and send an invoice to Cargill. Please note that should there be any discrepancies that arise throughout the self-billing process (i.e. during purchase order, receipt of goods, or payment phase), these issues should be resolved through direct contact with your Cargill relationship manager.

What is ERS?

ERS stands for Evaluated Receipt Settlement. Simply, this process allows us to generate a payment to you based on receipt of goods or services rather than waiting for an invoice to process payment. For suppliers to Cargill's protein businesses, ***this process is the same as you have been operating in Cargill's legacy system for the affected businesses***, the only difference is **to settle through the self-billing process you will not need to send invoices.**

Will I be receiving a Purchase Order in SAP?

Yes. Cargill's primary method is to require a purchase order for all materials and services. You will need to confirm the purchase order upon receipt directly with the PO contact listed on the purchase order form, validating that all data on the purchase order is accurate. This is to ensure that you are correctly paid for all goods and services upon the receipt at the facility. We will not need invoices to process payment any longer because this information is confirmed on the PO.

Please let us know how we are to deal with verbal PO numbers that we have been previously issued? What happens when there is a price discrepancy?

You should receive hardcopies of all PO's and confirm back pricing and delivery at that time. Please reach back to your Cargill contact to get a hardcopy of the PO, hopefully before performing any service or providing any materials. In emergency situations a supplier can work off a Purchase Requisition #, however your Cargill contact should get you a PO within 24 business hours of completion of service.

Will the PO's be for an extended period of time or would it be each trip taken?

Depending on the material or service being provided we may provide a PO for each trip; or do a blanket order for a period of time or quantity. The PO should clearly identify this quantity and or time period and questions can be directed to the PO contact on each order. Purchase orders should be received by you and confirmed back to the PO contact prior to any materials or services being provided.

Do I / Where should I send Invoices?

After ERS is turned on, you should discontinue mailing invoices. Your payment will be processed directly upon receipt of goods or services at the facility and you will receive an emailed Self Billing Document, or remittance statement, outlining the payment you will receive.

We require having to invoice our clients for work we do for them and from my understanding this ERS system would not allow us to do that.

After go-live, you **must** discontinue mailing invoices to Cargill. Your payment will be processed directly upon receipt of goods or services at the facility and you will receive an emailed Self Billing Document, or remittance statement, outlining the payment you will receive which will include the Cargill PO # for payment application.

If your system requires you continue to generate invoices you must develop a process for ERS purchase orders where in you do not submit these invoices to Cargill in any manner.

Will all orders from Cargill be ERS?

Cargill sets up ERS at the Cargill P Org level – meaning a supplier that is flagged ERS will be ERS for all plants in North America. However, we could have one of the Cargill's sites you service set up for ERS and another site set up for Standard PO. Once you have been approved to use ERS, if you receive a standard order (not ERS) from a Cargill business, Please contact Supplier Relations to have that Cargill business added to your agreement.

We received a self-billing document, but it does not include the taxes or freight.. What do we do?

SAP PO's and self-billing documents will outline the Line item cost and detail the taxes and any freight that has been approved and added to the order. As rule Cargill will supply preferred carrier information; so freight should not be incurred without the buyer's approval.

All orders should be confirmed by the supplier back to the buyer within 24 hours of order placement. If the prices on the PO are not correct you should be working with the buyer to correct before services or materials are provided to Cargill.

If you have received a self-billing document that does not match the order confirmation you can go to <http://www.cargill.com/suppliercentral/> and submit an inquiry to Supplier Relations (FSC_SupplierRelations@Cargill.com) [via the email link on that page.](#)

Should we continue to submit credit memos to Cargill in cases where product is returned?

Credit memos can also be created using self-billing. If an invoice has already been posted for a goods receipt — and goods have since been returned to you — the self-billing system on its own generates a credit memo for the returned quantity. Therefore, no credit memo document is needed from you.

How is tax calculated by Cargill for each self-billing transaction?

Cargill uses a tax bolt-on tool known as OneSource (Sabrix) for tax determination. OneSource is a system that is used to determine the applicable indirect taxes by PO line item and return the results to the SAP documents, based on some of the following attributes of a given transaction:

- What products/services are being purchased?
- How the product/service is intended to be used?
- Where the products/services are shipped to/from?

It is important that as a supplier you are confirming the tax amount at order confirmation time so that any discrepancies can be resolved prior to goods receiving activities taking place.

What does the "Jurisdiction(s)" field mean?

Jurisdiction refers to all of the states (i.e. jurisdictions) in which your transaction(s) with Cargill will require data entry for assessing and collecting taxes. For example, if you are a supplier located in California and plan to ship goods to a Cargill facility in Pennsylvania -- and could be assessed tax in each of these states-- you will need to populate the jurisdiction field with the state tax ID number for both California and Pennsylvania. If a wrong jurisdiction code is used, the taxability determined by Cargill may be different than that calculated by the vendor.

What does the "Tax Type" field mean?

Cargill has already populated this field on the Self-Billing Agreement form as a sales tax. In the adjacent column ("Tax Identification Number"), please enter the tax ID number(s) as it relates to sales.

What should I enter in the tax fields if taxes are not assessed in a state?

If you do not assess tax in any state you do business in or ship to, then you should enter "None" in the tax info field.

Please advise which tax form we are to complete?

We have links to the current tax websites location on our Supplier Central webpage; <http://www.cargill.com/suppliercentral/> under the "Foreign Account Tax Compliance Act" tab. While we are unable to provide specific advice on the tax forms we will be more than happy to provide feedback to you once you have completed and submitted the form to us. We can tell you the form W-8 BEN is the most common form used for suppliers located in Canada. If you are doing businesses with our Canadian sites only – you can respond with that information and we will not need a tax form.

On Cargill's PO and/or the self-billing document, will the tax jurisdiction and tax rate be identified on the document?

The tax should be shown in the line item detail of Cargill purchase orders cut from SAP. The tax amount will be shown along with the ship from location. If you believe the tax is being assigned incorrectly you should reach out to your buyer.

The self-billing documents will show taxes, but not in detail a PO does. Please use the PO to validate taxes and the self-billing document as a cross check to validate settlements from Cargill are in alignment with your expectations. If you receive a self-billing document that you have questions on, please contact Cargill's Supplier Relations team (Fsc_SupplierRelations@cargill.com)

What number will be referenced with my payment remittance?

A number from the receiving documents will be noted in the system — such as a sales order or bill of lading number — depending on the documents Cargill receives with the goods. As a supplier, you must be capable of applying payment with this reference information, as no invoice number reference will be available or provided on the remittance.

What if I am paid the incorrect amount?

If the payment discrepancy is the result of an error on Cargill's end, the PO Processor will submit a manual payment request to have a debit/credit entered in the system. If the payment discrepancy is the result of a supplier error, a further discussion will need to take place with the PO Processor.

When do the payment terms begin for the self-bill transaction?

As soon as the product is delivered to the Cargill location, it will have a goods receipt completed in the system. The payment terms will then begin from that receipt date.

Will self-billing invoices be sent by Cargill for each transaction?

If you are located in Canada, you will receive a self-billing invoice as it is a legal requirement. If you are located in the US, a self-billing invoice will not be sent as it is not a legal requirement. A payment remittance advice (example included in this packet) will be provided for each transaction.

How will the purchase order number be listed on the remittance?

The supplier must provide the purchase order number on the bill of lading/receiving documents. Otherwise, if Cargill does not have that information at the time of receiving, we will not be able to provide the purchase order number on the remittance.

I am a broker and I do not handle invoices to customers. How should I proceed with this request?

At this time, your company may not be a good candidate for the self-billing process, as it could be difficult to know how much will be charged. Please disregard this communication and the Self-Billing Agreement form.

We need to supply commercial invoices with the shipments to Cargill plants we service in Canada. How will ERS impact this activity?

The commercial invoice is for import/export clearance only and will not be used as a settlement instrument by Cargill. The ERS process will not impact how the supplier currently handles shipping documents related to International shipping and customs clearance. If the supplier has been providing a commercial Invoice to accompany a shipment for customs clearance they should continue to do so.

Do I have to fill out the ERS/Self Billing Form?

All vendors based in Canada are required to complete and submit the ERS form to Cargill in order to be set up in SAP for Cargill business that had adopted the ERS process.

How to I sign up for ACH payments or update my banking information?

Go to <http://www.cargill.com/suppliercentral/> and under the Electronic payment (ACH) authorizations forms tab you will find the link to the forms. Please submit the forms to Cargill based on the forms instructions.

Who do I contact to answer payment questions?

Go to <http://www.cargill.com/suppliercentral/> and submit an inquiry to Supplier Relations (FSC_SupplierRelations@Cargill.com) via the email link on that page.

How do I notify Cargill of address changes?

Go to <http://www.cargill.com/suppliercentral/> and submit an inquiry to Supplier Relations (FSC_SupplierRelations@Cargill.com) via the email link on that page.