



VICS - Motor Carrier Invoice Guideline (210)

October 2008

BUSINESS PROCESS NAME

Motor Carrier Freight Invoice

BUSINESS PROCESS OVERVIEW

This transaction can be used to provide detail information for charges for services rendered by a motor carrier. It is used as both a motor carrier invoice to request payment or as details pertaining to motor freight shipment(s) charges.

Parties involved:

- Shipper or Consignee – party responsible for freight charges for transportation services provided
- Motor Carrier – party who provided transportation services and is owed compensation
- Third Party – party responsible for freight charges if terms are other than the Consignor or Consignee

TRADE PARTY MESSAGES

A Freight Invoice is used by the Motor Carrier to request payment of freight charges. The Freight Invoice should provide sufficient detail to allow the Shipper to identify the unique shipment transported and should provide all information necessary to correctly calculate the amount of freight charges due.

OTHER OPERATIONAL CONSIDERATIONS

Updates Allowed Y/N

Updates are allowed and should be submitted as corrections, balance dues, etc. Electronic updates to the original invoice must be an agreement between trading partners, however, electronic updates are encouraged.

Timing

The Freight Invoice should be transmitted shortly after completion of transportation services.

Frequency

One original freight invoice per shipment.

RECOMMENDED ELECTRONIC MESSAGING STANDARDS

Freight Invoice:

ANSI	X12 210 Motor Carrier Freight Invoice
GS1	XML Business Message Standard: Freight Invoice
EANCOM	INVOIC Message

ELECTRONIC MESSAGING BENEFITS

The freight invoice transaction is intended to provide an automated method for accurate and timely request for payment from the carrier. When the transportation service was earlier initiated with an electronic message such as full truckload load tender or less-than-truckload bill of lading, the carrier can facilitate automated validation of services, provided Shipper's preferred key reference field(s) on the Freight Invoice match against the earlier transaction set.

Cost Savings

- Reducing time-consuming tasks
- Eliminate paper and mailing costs
- Reduces manual procedures
- Invoice recipient can save expense of handling and processing a paper invoice.

Financial Benefits

- Quicker turn-time to respond, send, receive, and schedule payment of freight invoice.
- Provides flexibility to Motor Carrier and Shipper to negotiate mutually beneficial payment terms.
- Potential reduction in transaction costs due to automation (payroll & service fees)

Efficiency

- Carrier can receive electronic acknowledgement (see Functional Acknowledgement) of freight invoice from Shipper, thus eliminating questions related to receipt of invoice.
- Allows a clear method of communication for payment request
- Increases data accuracy on the front end, reducing re-work
- When populated with Shipper's Key Reference fields from up stream messages such as bill of lading or load tender, it allows automated match-pay and provides Shipper with cross-reference to internal shipment details that can support financial and management accounting requirements (e.g. allocating freight to a business unit, to a customer, to a specific product, etc.)

BEST PRACTICES

1. The Freight Bill shall not be transmitted until completion of transportation services.
2. A Freight Bill shall include all data relevant to calculating correct freight charges due to carrier, including, but not limited to:
 - a. Shipment Origin
 - b. Shipment Destination
 - c. List of all Stops In Transit
 - d. Shipment Date (effective date of rate, fuel surcharge)
 - e. Mileage (where applicable – typically FTL)
 - f. Weight, Freight Classification, Tariff Name and Tariff Date (where applicable – typically LTL)
 - g. Itemization of all accessorial charges (fuel surcharges, charges for stops-in-transit, loading charges, unloading charges)
 - h. Itemization of Discounts (where applicable – typically LTL)
 - i. Identification of the application of a Minimum Charge (where applicable)
3. The Freight Invoice does not provide the same level of shipment detail that can be found in an advance ship notice (ASN). As noted above, it is best practice to include Shipper's Key Reference field(s) on the Freight Invoice to allow a match to a previous transaction such as ASN, Load Tender, Bill of Lading, and/or Purchase Order, to link freight charges to shipment details for accounting and audit purposes.
4. The Freight Invoice is often implemented with Remittance Advice.
5. Integration of references throughout the cycle will facilitate efficiency and accuracy in invoicing.
6. Each Freight Invoice should be identified with a unique invoice number assigned by the carrier. Freight Charges for movement of goods tendered on a single bill of lading should not be billed under more than one unique invoice number.
7. Balance due/correction procedures should be agreed to between parties.
8. Shipment identification reference should retain the integrity of the original number. For example, do not insert special characters in the shipment identification from prior references to the shipment.
 - a. The shipment id in the load tender or bill of lading should be used to link the associated freight invoices back to the original load tender or bill of lading. Shipment id should be unique and should not be reused within a two year period.
9. A functional acknowledgement message should be returned to the carrier upon receipt of a freight invoice. The functional acknowledgement should only be used to confirm the shipper has successfully received the freight invoice.

10. The VICS Bill of Lading Number should be used as the shipment's bill of lading number and can be expected in the freight invoice.
11. Thorough testing between Trading Partners should take place within a test environment prior to implementation in production.

REFERENCE DOCUMENTS

- VICS Logistics Model:
<http://www.vics.org/images/committees/logistics/LogisticsModel.pdf>
- GS1 XML Business Message Standard: Freight Invoice
<http://www.gs1.org/services/gsmf/>
- VICS 17-Digit BOL Number:
<http://www.vics.org/guidelines/bol/>