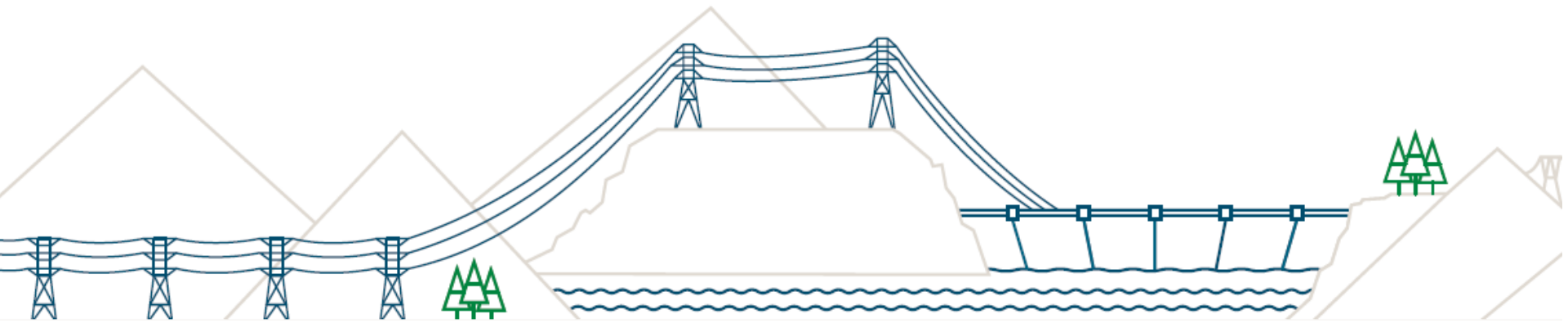


Early Payment Offers (EPOs)



Agenda

- About Early Payment Offers
- Discounting explained
- FAQs
- Who to contact

About Early Payment Offers (EPO)

- EPOs allow you to be **paid early** in exchange for a **sliding scale discount** (calculated daily)
- EPOs give you greater control over your cash flow
- Rates typically lower rates than many alternatives (e.g., P-Card, asset-based lending, bank lines of credit)
- EPOs don't impact any individual payment terms which may be in your contract
- These offers are completely optional
- You can accept on an invoice-by-invoice basis
- Adjust your settings in Ariba to receive notifications of EPOs
- If you don't want to accept the EPO, and want to continue being paid as usual, you can simply ignore the offer

How it works

1. No change to the current process; you continue to receive orders and submit invoices through Ariba
2. Once an invoice is approved an EPO will be available in Ariba
3. If you have adjusted your settings in Ariba, you will be notified of the EPO
4. If you haven't adjusted your settings you can navigate to the **Early Payments** tab to see the details of the EPO
5. You can either ignore the EPO or pick one of the proposed Early Payment dates and the corresponding Discount
6. Payment of your invoice will be scheduled according to the option you chose
7. If you do not choose an EPO your invoice will be paid as usual

Discounting explained

Discounts are based on the difference between the scheduled payment date and the early payment date selected. The calculation takes the appropriate \$ discount rate and the number of days difference.


Discount based on sliding scale to payment date



The earliest discounts can be taken is day 2 due to +/- processing time

Notifications

- In order to receive the notification when BC Hydro sends an Early Payment Offer you must ensure your account notifications are enabled
- Log into your account
 - Enter your Username and Password
 - Click **Login**
- If you cannot login to your Ariba account, contact Ariba's Help Center for assistance

SAP Ariba  Orders & Invoices Powered by Ariba Network

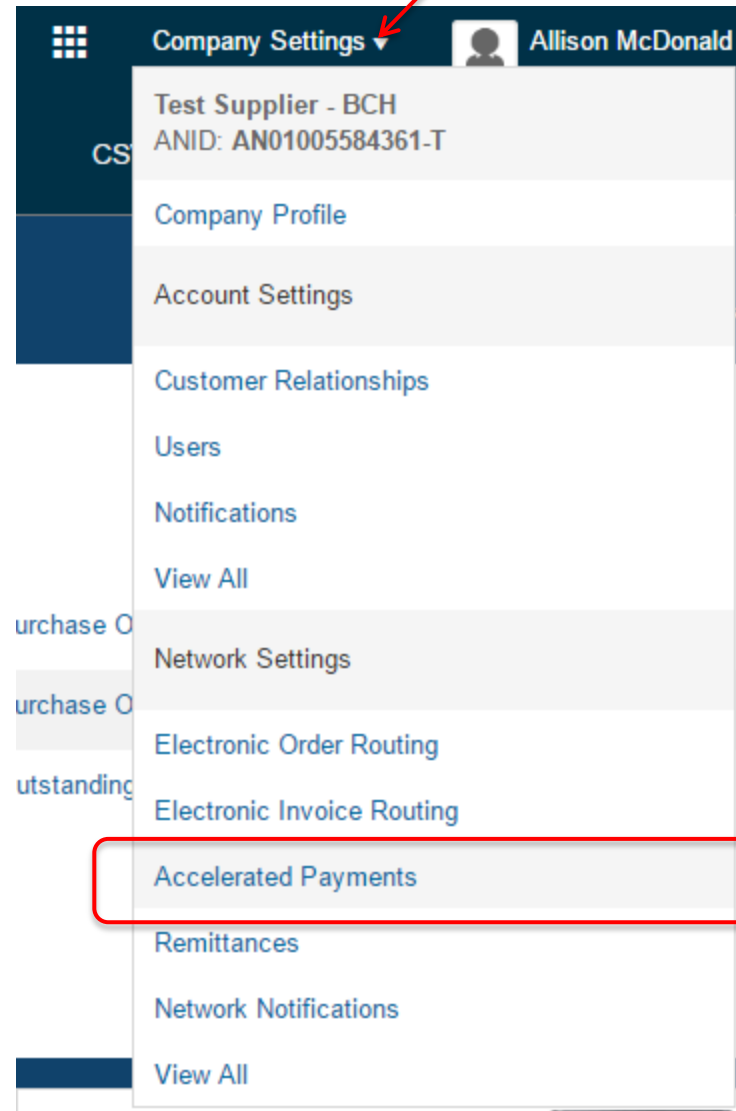
Supplier Login

[Login](#)

[Forgot Username or Password](#)

Notifications

- On the **Home Page**, locate the Company Settings Drop Down Menu in the upper right corner of the screen
- From this menu, select **Accelerated Payments** under Network Settings at the bottom of the menu
- If you do not have this option, you must contact your account administrator to either perform the steps for you, or change your access so you can perform the tasks



Notifications

- There are two notifications that must be enabled: checked as shown in the screen shot
- Once checked enter the email address where the notification should be sent
- Enter up to three email addresses per notification: separate the email addresses with a comma - no space
- Click **Save** at the top or bottom of the page
- Click **Close** to return to the previous screen

Ariba Network Test Mode Company

Network Settings

Electronic Order Routing Electronic Invoice Routing Accelerated Payments Settlement

* Indicates a required field

Notifications

Type	Send notifications when...	To email
Buyer-Initiated Early Payment Offers	<input checked="" type="checkbox"/> Send a notification when your buyer initiates an early payment on a specific invoice.	* <input type="text" value="v@"/>
Standing Early Payment Offers	<input checked="" type="checkbox"/> Send a notification when your buyer proposes a new early payment term for all invoices.	* <input type="text" value="v@"/>

Buyer-Initiated Early Payment Offers Send a notification when your buyer initiates an early payment on a specific invoice.

Standing Early Payment Offers Send a notification when your buyer proposes a new early payment term for all invoices.

Note:

- Both notifications should be checked although BC Hydro will not be using **Standing Early Payment Offers**
- This will allow your organization to receive offers from other Buyers you may be connected with now or in the future

Receiving and Accepting Offers



Locating Early Payment Offers

- When BC Hydro sends an early payment offer, the designated contact (s) will receive an email letting them know.
- To view the offer, log into your account
- From the Home Page, click **Inbox** and then **Early Payments**
- You will see all offers sent by BC Hydro on this screen
- This view provides the invoice number, days remaining, invoice amount and the discount detail

The screenshot shows the Ariba Network dashboard. The navigation bar includes 'HOME', 'INBOX', 'OUTBOX', 'CATALOGS', and 'REPORTS'. The 'INBOX' and 'Early Payments' links are highlighted with red boxes and arrows. Below the navigation bar, there are tabs for 'Orders and Releases', 'Time & Expense Sheets', 'Early Payments', and 'Scheduled Payments'. The 'Early Payments' section is active, showing a 'Search Filters' button and a table titled 'Early Payment Discounts Offered'.

Early Payment Discounts Offered

<input type="checkbox"/>	Payment ID	Invoice	Due Date ↓	Projected Settlement Date	†Remaining	Invoice Amount	**Discount Percent	**Discount	**Net Payment
<input type="checkbox"/>	BCH151002251892017001	TEST-ZMONI-ROLE	5 Jun 2016	9 May 2016	32 Days	\$1,000.00 CAD	0.80%	\$7.95 CAD	\$992.05 CAD
<input type="checkbox"/>	BCH151006864592017001	TRN-PPINV-N30-1	5 Jun 2016	9 May 2016	32 Days	\$10,000.00 CAD	1.43%	\$143.01 CAD	\$9,856.99 CAD
<input type="checkbox"/>	BCH151006864492017001	TESTMAY04A	3 Jun 2016	9 May 2016	31 Days	\$112.00 CAD	1.38%	\$1.55 CAD	\$110.45 CAD
<input type="checkbox"/>	BCH151006864452017001	SIT-USD-INV-2	3 Jun 2016	9 May 2016	31 Days	\$2,000.00 USD	1.38%	\$27.62 USD	\$1,972.38 USD
<input type="checkbox"/>	BCH119002078742017001	NN-SIT-01	27 May 2016	9 May 2016	24 Days	\$10,000.00 CAD	1.04%	\$103.56 CAD	\$9,896.44 CAD
<input type="checkbox"/>	BCH151006864602017001	TRN-PPINV-N30-2	20 May 2016	9 May 2016	17 Days	\$11,000.00 CAD	0.69%	\$75.95 CAD	\$10,924.05 CAD
<input type="checkbox"/>	BCH151006864612017001	TRN-PPINV-N10-3	16 May 2016	9 May 2016	12 Days	\$12,000.00 CAD	0.44%	\$53.26 CAD	\$11,946.74 CAD
<input type="checkbox"/>	BCH151006864622017001	TRN-PPINV-1D10-1	16 May 2016	9 May 2016	12 Days	\$14,850.00 CAD	0.44%	\$65.91 CAD	\$14,784.09 CAD

Viewing Early Payment Offers

○ To see details on the offer click on the Payment ID number in the first column

○ **This will open the offer**

○ A detailed schedule based on a payment date and the applicable discount that would be taken if the invoice is paid on that date will display

○ The later the payment date the less the discount will be

<input type="checkbox"/>	Payment ID	Invoice
<input type="checkbox"/>	BCH151002251892017001	TEST-ZMONI-ROLE
<input type="checkbox"/>	BCH151006864592017001	TRN-PPINV-N30-1
<input type="checkbox"/>	BCH151006864492017001	TESTMAY04A
<input type="checkbox"/>	BCH151006864452017001	SIT-USD-INV-2
<input type="checkbox"/>	BCH119002078742017001	NN-SIT-01
<input type="checkbox"/>	BCH151006864602017001	TRN-PPINV-N30-2

	Payment Date ↑	Settlement Date	Scheduled Payment Date	Discount%	Discount Amount	Settlement Amount
<input type="radio"/>	6 May 2016	9 May 2016	20 May 2016	0.69	\$75.95 CAD	\$10,924.05 CAD
<input type="radio"/>	8 May 2016	10 May 2016	20 May 2016	0.64	\$70.52 CAD	\$10,929.48 CAD
<input type="radio"/>	9 May 2016	11 May 2016	20 May 2016	0.59	\$65.10 CAD	\$10,934.90 CAD
<input type="radio"/>	10 May 2016	12 May 2016	20 May 2016	0.54	\$59.67 CAD	\$10,940.33 CAD
<input type="radio"/>	11 May 2016	13 May 2016	20 May 2016	0.49	\$54.25 CAD	\$10,945.75 CAD
<input type="radio"/>	12 May 2016	16 May 2016	20 May 2016	0.35	\$37.97 CAD	\$10,962.03 CAD
<input type="radio"/>	15 May 2016	17 May 2016	20 May 2016	0.30	\$32.55 CAD	\$10,967.45 CAD
<input type="radio"/>	16 May 2016	18 May 2016	20 May 2016	0.25	\$27.12 CAD	\$10,972.88 CAD
<input type="radio"/>	17 May 2016	19 May 2016	20 May 2016	0.20	\$21.70 CAD	\$10,978.30 CAD
<input type="radio"/>	18 May 2016	20 May 2016	20 May 2016	0.15	\$16.27 CAD	\$10,983.73 CAD

Early Payment Offers - Schedule

What the data present means:

- Payment Date (Blue): the date that was selected for payment on the supplier side
- Settlement Date (Green): the date the payment would be actually made based on the **payment date** selected
- Scheduled Payment Date (Red): the original payment date which is the date the invoice would be paid if **no early payment** is selected; i.e.; the payment date in accordance to your standard terms with BC Hydro

	Payment Date ↑	Settlement Date	Scheduled Payment Date	Discount%	Discount Amount	Settlement Amount
<input type="radio"/>	6 May 2016	9 May 2016	20 May 2016	0.69	\$75.95 CAD	\$10,924.05 CAD
<input type="radio"/>	8 May 2016	10 May 2016	20 May 2016	0.64	\$70.52 CAD	\$10,929.48 CAD
<input type="radio"/>	9 May 2016	11 May 2016	20 May 2016	0.59	\$65.10 CAD	\$10,934.90 CAD
<input type="radio"/>	10 May 2016	12 May 2016	20 May 2016	0.54	\$59.67 CAD	\$10,940.33 CAD
<input type="radio"/>	11 May 2016	13 May 2016	20 May 2016	0.49	\$54.25 CAD	\$10,945.75 CAD
<input type="radio"/>	12 May 2016	16 May 2016	20 May 2016	0.35	\$37.97 CAD	\$10,962.03 CAD
<input type="radio"/>	15 May 2016	17 May 2016	20 May 2016	0.30	\$32.55 CAD	\$10,967.45 CAD
<input type="radio"/>	16 May 2016	18 May 2016	20 May 2016	0.25	\$27.12 CAD	\$10,972.88 CAD
<input type="radio"/>	17 May 2016	19 May 2016	20 May 2016	0.20	\$21.70 CAD	\$10,978.30 CAD
<input type="radio"/>	18 May 2016	20 May 2016	20 May 2016	0.15	\$16.27 CAD	\$10,983.73 CAD

IMPORTANT NOTE:

- The settlement date will **always** be the payment date selected + a minimum of number of processing days
- If the payment falls on a weekend day, it will add 1 or 2 days to the overall days to payment as no payments are executed over the weekend
- If the payment date falls on a holiday, that would also add to the overall days to payment as no payments are executed on holidays

Accepting Early Payment - Offers

- Select a payment date then click **Accept Early Payment Offer**
- If a payment date is not selected, an error message will show that ensures this step has been taken before accepting the early payment offer
- This will trigger an acceptance document to be sent to BC Hydro so that the payment can be processed and paid by the date selected
- If you do **not** wish to accept the offer, simply click **Done** at the top of the page to close the offer without action

	Payment Date ↑	Settlement Date	Scheduled Payment Date	Discount%	Discount Amount	Settlement Amount
<input type="radio"/>	6 May 2016	9 May 2016	20 May 2016	0.69	\$75.95 CAD	\$10,924.05 CAD
<input type="radio"/>	8 May 2016	10 May 2016	20 May 2016	0.64	\$70.52 CAD	\$10,929.48 CAD
<input type="radio"/>	9 May 2016	11 May 2016	20 May 2016	0.59	\$65.10 CAD	\$10,934.90 CAD
<input type="radio"/>	10 May 2016	12 May 2016	20 May 2016	0.54	\$59.67 CAD	\$10,940.33 CAD
<input checked="" type="radio"/>	11 May 2016	13 May 2016	20 May 2016	0.49	\$54.25 CAD	\$10,945.75 CAD
<input type="radio"/>	12 May 2016	16 May 2016	20 May 2016	0.35	\$37.97 CAD	\$10,962.03 CAD
<input type="radio"/>	15 May 2016	17 May 2016	20 May 2016	0.30	\$32.55 CAD	\$10,967.45 CAD
<input type="radio"/>	16 May 2016	18 May 2016	20 May 2016	0.25	\$27.12 CAD	\$10,972.88 CAD
<input type="radio"/>	17 May 2016	19 May 2016	20 May 2016	0.20	\$21.70 CAD	\$10,978.30 CAD
<input type="radio"/>	18 May 2016	20 May 2016	20 May 2016			

Accept Early Payment Offer

17 May 2016 19 May 2016
 18 May 2016 20 May 2016

Accept Early Payment Offer

! Please select a Payment Date from the above list.

Error if a payment date is not selected before accepting the offer

Confirmation of Offer - Accepted

- After accepting an offer, a confirmation page will display
- This will provide the details of what was just selected and accepted
- Click **Done** to finish the acceptance process
- You will be returned to the list of other Early Payment Offers if you wish to continue reviewing other offers
- **Note:** Once an Early Payment Offer is accepted by a supplier it is transmitted to BC Hydro

Scheduled Payment: BCH151006864602017001

Done

Print Export cXML

Detail Payment History History

Payment Information

Payment Date: 11 May 2016
Invoice ID: TRN-PPINV-N30-2

EARLY PAYMENT: Buyer-Initiated
BCH151006864602017001 (Scheduled)

Original Amount: \$11,000.00 CAD
Discount Amount: (\$54.25 CAD)

Amount Due: \$10,945.75 CAD

0.49% discount rate applied
Settlement on 11 May 2016

Additional Information

Discount Management offer accepted: yes
Organization Unit: BCH1
originalInvoiceNo: TRN-PPINV-N30-2
buyerInvoiceID: 5100686460
fiscalYear: 2017

Print Export cXML

Done

Viewing Scheduled Payments

- To review your scheduled payments and upcoming payment dates click on your **Inbox** and then **Scheduled Payments**
- All scheduled payments will be listed with information for the payment; invoice number, payment date, days remaining until payment and the amount
- To review the detail of a particular scheduled payment, click on **Payment Proposal** to open

► Search Filters

Scheduled Payments (16)

Payment Proposal	Customer	Reference
BCH151006864592017001	BC Hydro - TEST	TRN-PPINV-N30-1
BCH151002251892017001	BC Hydro Development - TEST	TEST-ZMONI-ROLE
BCH119002078872017001	BC Hydro - TEST	EOPTSTLPO10
BCH151006864452017001	BC Hydro - TEST	SIT-USD-INV-2
BCH151006864492017001	BC Hydro - TEST	TESTMAY04A

Scheduled Payment: BCH151006864602017001

Done

Print Export cXML

Detail Payment History History

Payment Information

Payment Date: 11 May 2016
Invoice ID: TRN-PPINV-N30-2

EARLY PAYMENT: Buyer-Initiated
BCH151006864602017001 (Scheduled)

Original Amount: \$11,000.00 CAD
Discount Amount: (\$54.25 CAD)

Amount Due: \$10,945.75 CAD

0.49% discount rate applied
Settlement on 11 May 2016

Settlement Date	Remaining	Amount Due	Status	Early Pay Status
5 Jun 2016	30 Days	\$10,000.00 CAD	Scheduled	Eligible
5 Jun 2016	30 Days	\$1,000.00 CAD	Scheduled	Eligible
4 Jun 2016	29 Days	\$1,050,000.00 CAD	Scheduled	Eligible
3 Jun 2016	28 Days	\$2,000.00 USD	Scheduled	Eligible

Cash Optimizer

The **Cash Optimizer** is a tool that will suggest which EPOs to take (across all of your clients) to receive a defined amount of capital by a certain date (Working Capital).

- Enter the amount you need into **Working Capital Needed**
- Enter the **Need by Date**
- Click on **Recommend**

Based on your criteria and the invoices available for EPOs (across all clients that use this Ariba feature), Ariba will present a list of suggested discounts to give you your targeted Working Capital Needed

Example result on next slide

Early Payment Discounts Offered

<input type="checkbox"/>	Payment ID	Invoice	Due Date ↓
<input type="checkbox"/>	BCH151002251892017001	TEST-ZMONI-ROLE	5 Jun 2016
<input type="checkbox"/>	BCH151006864492017001	TESTMAY04A	3 Jun 2016
<input type="checkbox"/>	BCH151006864452017001	SIT-USD-INV-2	3 Jun 2016
<input type="checkbox"/>	BCH119002078742017001	NN-SIT-01	27 May 2016

Cash Optimizer

The Cash Optimizer recommends payments for early settlement. It determines [More](#)

Working Capital Requirements

Working Capital Needed :*

Need By Date :*

Cash Optimizer

- After clicking **Recommend** the cash optimizer tool allows you to acquire the capital you need by the date you need it in a way that is most beneficial to you
- Under **Recommended Early Payments**, you will see the invoices recommended for early payment with the least amount of discount, that will still provide you with the amount of capital you need

Working Capital Requirements

Working Capital Needed :+ \$20,000.00 CAD

Need By Date :+ 10 May 2016

Working Capital Needed: \$20,000.00 CAD Recommend

Receivables Due

ID	Invoice	Customer	Due Date ↑	Invoice Amount	
BCH151006864502017001	ILSC2	BC Hydro - TEST	9 May 2016	\$3,323.55	CAD
BCH119002078862017001	EOPPRETEST8	BC Hydro - TEST	10 May 2016	\$6,000.00	CAD
BCH151006864482017001	ILSC11	BC Hydro - TEST	10 May 2016	\$9,199.73	CAD
Total Receivables Due:				\$18,523.28 CAD	
Working Capital Gap:				\$1,476.72 CAD	

Recommended Early Payments

<input checked="" type="checkbox"/>	Payment ID	Invoice	Invoice Date	Due Date ↓	Projected Settlement Date	†Remaining	Invoice Amount	**Discount Percent	**Discount	**Net Payment
<input checked="" type="checkbox"/>	BCH151002251892017001	TEST-ZMONI-ROLE	1 May 2016	5 Jun 2016	10 May 2016	32 Days	\$1,000.00 CAD	0.77%	\$7.67 CAD	\$992.33 CAD
<input checked="" type="checkbox"/>	BCH119002078742017001	NN-SIT-01	25 Apr 2016	27 May 2016	10 May 2016	24 Days	\$10,000.00 CAD	0.99%	\$98.63 CAD	\$9,901.37 CAD

Recalculate

**Total From Recommended Early Payments: \$11,000.00 CAD
**Total Discount: \$106.30 CAD

Summary

	Without Early Payments	With Early Payments
Working Capital Needed	\$20,000.00 CAD	\$20,000.00 CAD
Amount From Receivables Due	\$18,523.28 CAD	\$18,523.28 CAD
Amount From Early Payments		\$11,000.00 CAD
**Discount		-\$106.30 CAD
**Net Settlement	\$18,523.28 CAD	\$29,416.98 CAD
**Gap	(\$1,476.72 CAD)	\$9,416.98 CAD

** values are estimates only

- By selecting invoices for early payment, you can convert a receivable into cash rather than affecting your bottom line or credit rating through other methods such as a loan

Setting up auto-acceptance of EPOs

- You have the option of determining parameters under which all EPOs will be automatically accepted
- EPOs that do not fit the parameters you define will still be available for optional manual review and acceptance
- To access these settings click on **Company Settings** then on **Accelerated Payments**
- Choose the **Settlement** tab and click on **Create** under **Supplier Auto Acceptance Rule**
- You can also manage all the rules you set up, including deleting them

Ariba Network Test Mode Company Settings

Network Settings Save

Electronic Order Routing Electronic Invoice Routing Accelerated Payments **Settlement**

* Indicates a required field

EFT/Check Remittances

Address ↑	City	State	Country	Default
<input type="radio"/> 333 Dunsmuir St.	Vancouver	BC	Canada	Yes

↳ Edit Delete Create

Supplier Auto Acceptance Rule

Name ↑	Description	Active
No items		

↳ Edit Delete Create

Setting up auto-acceptance of EPOs

- You can now define the parameters under which you are willing to automatically accept EPOs
- **The rules you define here will apply to all of your clients**
- Enter a Name and Description for this rule
- Enter the start and end dates for which this rule is valid
- Enter the lower and upper limits for the transaction amount
- Enter the lower and upper limits for the APR amounts
- Choose **Yes** under **Active?** To make the rule effective from the moment you press OK
- Remember you can later edit or delete rules you create

Create Supplier Auto-acceptance Rule

OK

Cancel

Add a supplier auto-acceptance rule. Review your information carefully, since this is applied to all payment proposals.

* Indicates a required field

Name: *

Description:

Effective Date: *

Rule End Date:

Amount (low):

Transaction amount lower limit

Amount (high):

Transaction amount upper limit

APR (low):

Transaction APR lower limit

APR (high):

Transaction APR upper limit

Active?:

Yes

No

OK

Cancel

FAQ

1. I have contractual terms with BC Hydro, reflected in my invoices. Will EPOs affect my individual payment terms?

- No they will not

2. Do I need to change the way I invoice to take advantage of EPOs?

- Not if you are already sending your invoices through Ariba

3. Which invoices are eligible for a discount?

- All approved invoices are eligible for discount
- The last date a discount can be taken is on the 27th day of your net 30 payment term

4. Is the discount fixed?

- Once you accept an EPO, the discount rate will not change

5. I don't want to manually review every EPO.

- You can set up auto-acceptance rules in Ariba based on the APR you are willing to accept
- It also allows you to define limits to dates and values

Who to call

Invoicing, Payment and Early Payment Offers (EPOs) Questions	Accounts Payable Helpdesk <ul style="list-style-type: none">○ 604 663 3572○ AccountsPayable@bchydro.com
Step by step instructions	The Supplier Information Portal <ul style="list-style-type: none">○ From your home page click on the Company Settings drop down menu, under Account Settings select Customer Relationships○ From the Customer Relationship page and the Current Relationships tab click on Supplier Information Portal○ You will find training videos, tip sheets and guidelines
Business Process Issues <ul style="list-style-type: none">○ Cancelled invoice○ Order not in Ariba○ Invoice not paid○ Need a work inspection	Your BC Hydro representative <ul style="list-style-type: none">○ Contact the person who ordered the work / the invoice approver / your BC Hydro rep
Ariba Network Account Issues	<ul style="list-style-type: none">○ From Supplier Login page click on Help Center in the upper right corner○ From the drop down menu click on Support in the bottom right corner○ From the Support Center you can enter a request for a phone call or an email or participate in a live chat with an Ariba representative
Forgot your user name or password	Supplier Login page <ul style="list-style-type: none">○ Click; Having trouble logging in?○ Follow the steps as prompted