

**Supplier Guideline (for Invoice Approval and Payment Release)**  
**For Purchase Orders with Partial Payment Agreements**

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## 1. Purpose

This procedure is for the instruction and management of the SAP 47xxxxxxx purchase orders/contracts with invoicing plans and the systematic steps of approval and payment release.

## 2. Application field

The procedures apply to all North America Kirchhoff Automotive plants (Canada, USA and Mexico), 47xxxxxxx Purchase Orders/contracts with Progressive payments.

## 3. Responsibility

Procurement Manager Capital and Tooling

## 4. Definitions

- KA:** Kirchhoff Automotive
- PPSO:** Progressive Payment Sign Off sheet
- CME:** Corporate Manufacturing Engineering
- ME:** Manufacturing Engineering
- PO:** Purchase Order
- AP:** Accounts Payable

## 5. Procedure

### 5.1 Progressive Payment Approval by PPSO

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This guideline is applicable for SAP Invoicing Plan with PO number 47xxxxxxx.

The invoice approval and payment release process starts when the supplier achieves a payment milestone per contract.

The supplier is required to populate all the mandatory fields of the PPSO (see **Additional Documents**) and send the PPSO Excel file along with the supporting approval documents by email to the central PPSO mailbox.

The E-Mail address for the North American PPSO submission;

**PPSO-North.America@kirchhoff-automotive.com**

When emailing the central email account it is required to CC the buyers regular email address.

**The title of the email must use a defined naming convention as follows:**

KA Part Number\_ (Stamping/Gauge/Capital) \_ Buyer first name (please refer to item 5.3 for names/responsibilities)

**Example**

14500.90.001\_Capital\_Milo

14501.40.003\_stamping\_Sergio

**Notice:** Only PPSO document sent in full to the North American email address will be processed. No exception are accepted and no payments will be granted by means of alternate submission.

Alternate approval document specific to the contract conditions may be required and are defined below:

- Bank guarantee (original copies only)

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- CME/ME protocols (completely signed, except for the signature of KA Procurement) e.g. for Design Approval, Successful Buy-off, Start of Trial Run, Final Acceptance etc.
- a Delivery note (signed by Kirchhoff Automotive receiving department or CME/ME document number P0079)
- Others – depending on the contractual agreements.

The supplier has to use one PPSO sheet per Contract line Item. This means that if there is a Contract with three different stamping dies, the supplier has to create three PPSO's for this one Contract. One for each stamping die. This is the same for machinery, fixtures etc.).

In the case, that KA uses a Contract Protocol (and no SAP Purchase Order); the supplier will have to use ONE PPSO Sheet per ONE Contract Protocol / Order Letter (as long as the Contract Protocol does not contain different timelines for separate items).

Please also see the systematic process for filling out the PPSO sheet: **Additional Documents.**

Each PPSO sheet will be maintained throughout all the partial payment steps until the final payment is approved.

This means that the supplier has to store each PPSO sheet issued and will then always add the new payment milestone request to the existing PPSO sheet (when a new milestone is reached).

In the end, ALL partial payment approvals per one item are listed in ONE PPSO sheet (see examples below).

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### Example for first milestone:

**KIRCHHOFF**  
AUTOMOTIVE

**Partial Payment Sign Off Sheet**

Please insert all mandatory information for the actual payment milestone !

Currency €

Supplier

SAP Purchase Order No.       SAP PO item       description / part no.

KA ORDERING Plant

Pos.	Total PO Item Value	Payment Milestone Description	%	Invoice Value	Approval document (signed)	Date of Approval	Signee	Signature
1	100.000 €	after_approval_of_die_design	10%	10.000,00 €	T-500.1 LAR_DAR		Markus Pickhan	<i>Signature</i>
2				0,00 €				
3				0,00 €				

### Example for third milestone:

**KIRCHHOFF**  
AUTOMOTIVE

**Partial Payment Sign Off Sheet**

Please insert all mandatory information for the actual payment milestone !

Currency €

Supplier

SAP Purchase Order No.       SAP PO item       description / part no.

KA ORDERING Plant

Pos.	Total PO Item Value	Payment Milestone Description	%	Invoice Value	Approval document (signed)	Date of Approval	Signee	Signature
1	100.000 €	after_approval_of_die_design	10%	10.000,00 €	T-500.1 LAR_DAR		Markus Pickhan	
2	100.000 €	after_tool_delivery	20%	20.000,00 €	delivery note		Markus Pickhan	
3	100.000 €	after_successful_try_out_at_Kirchhoff_plant	30%	30.000,00 €	T-700.1 TAR CoFo		Markus Pickhan	<i>Signature</i>
4				0,00 €				

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KA checks the propriety of the received documents and compares them to the contract conditions.

If the documents match the contract conditions, the supporting documents are included, KA will then sign off the PPSO document and sends it back to the supplier in PDF-format via email.

## 5.2 Invoice Approval by Plant Finance or Central Account Payable

After you have received back the signed PPSO from KA, you are now entitled to issue the corresponding invoice together with the signed PPSO directly to the ordering KA facility or Central Accounts Payable (see [Additional Documents](#)).

The invoice package should be sent via E-Mail in PDF-format, or per the legal requirements of your region.

KA AP will check whether all required documents are included, correct and match to each other.

If the invoice matches the contracted conditions, it will be posted and paid accordingly.

If the invoice is not correct or the signed PPSO sheet is missing, KA plant finance will send it back to you with appropriate remarks. You then have to issue a revised invoice or attach the signed PPSO sheet.

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### 5.3 Responsibility/ Contact

If you have queries during processing step 5.1, please contact the responsible buyer direct

**Capital and Tooliong**

**Milo Zhang**

Senior Buyer  
 phone:+ 1.905.727.8585 x1231  
 milo.zhang@kirchhoff-automotive.com

**Stamping/Press Capital**

**Sergio Gomez**

Procurement Analyst  
 phone: +52.442.211.3900 x4559  
 sergio.gomez@kirchhoff-automotive.com

**Checking Fixtures**

**Eugene Lavrov**

Buyer  
 phone:+ 1.905.727.8585 x1335  
 eugene.lavrov@kirchhoff-automotive.com

From Step 5.2 on – after issuing your invoice - please contact KA Plant Finance (Accounts Payable) for questions. Overview of contacts please find under [Additional documents](#).

6. Additional documents

You can find the following documents on our homepage

<https://www.kirchhoff-automotive.com/company/purchasing/downloads/north-america/>

- Supplier Guideline PPSO
- Partial Payment Sign Off Sheet
- PPSO Step-by-step guideline
- Invoice requirements and Finance contact list
- Delivery Note

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