

Accounts Payable

Imaging

And

Workflow

To Be Vision and 1st Quartile

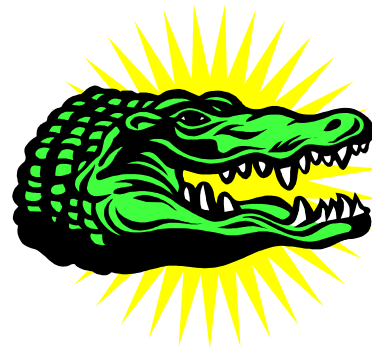
Implemented 4/1/2000

To Be Vision 1st Quartile

'97 Baseline (Steady State) (Benchmark)

Cost per Invoice	\$5.07	\$2.83	\$2.55
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Currently at \$4.70 (+or-)



Zeke the Cost Cutter

Key Applications:

- *Purchasing Card
- *Sales and Use Tax Calculations with Vertex
- *Bottomline Disbursements System
- *Self Service Expense (Wave 2)
- *Electronic Invoice Feeds ⇒
 - Vendors
 - Business Units
 - Tax
 - PeopleSoft HR/Payroll



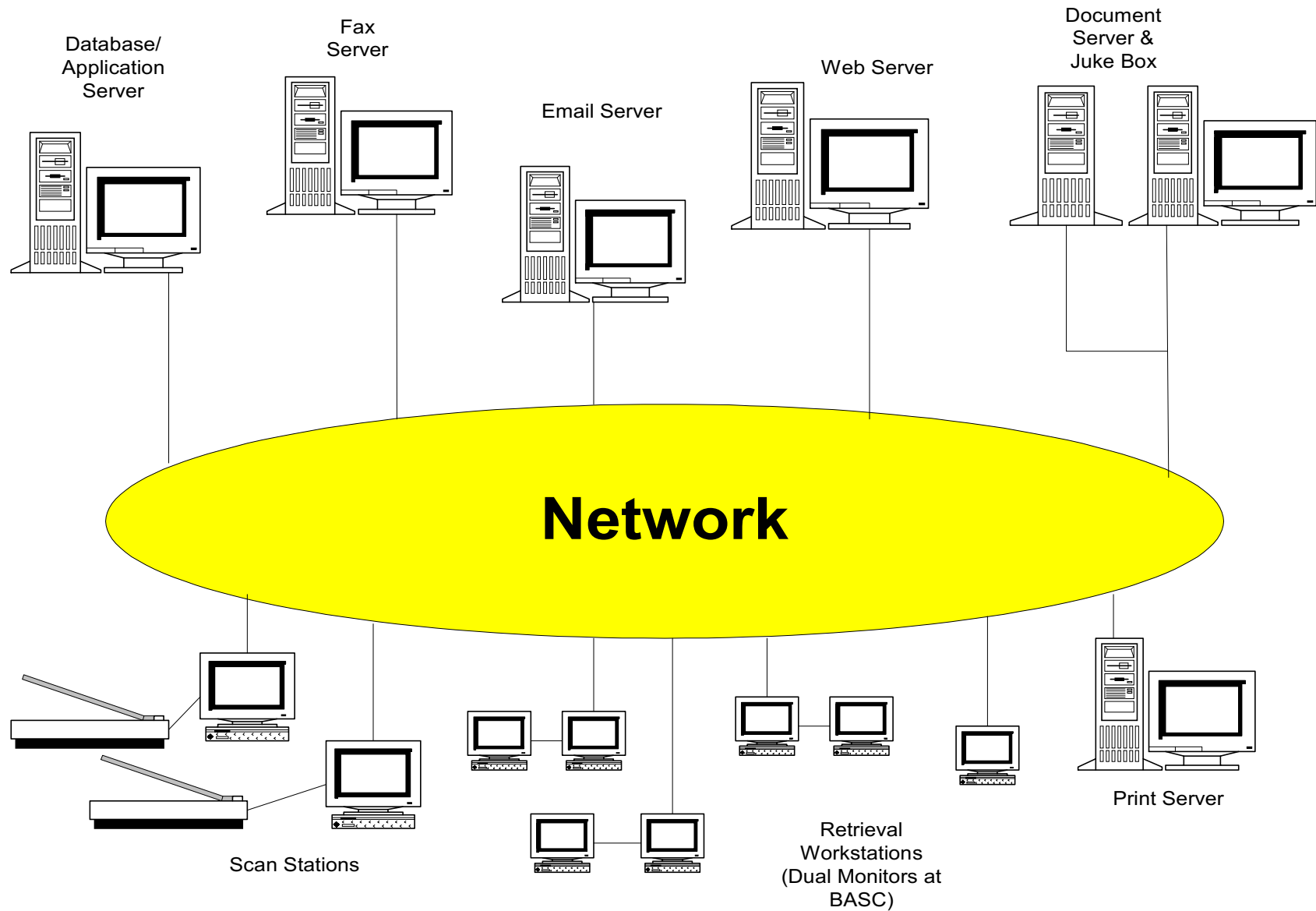
Key Applications (Cont)



- Scanning ⇒
 - * Reduces cost of filing and retrieval
 - * Reduces storage cost - offsite and onsite
 - * Tax/Internal Audit savings
- Workflow ⇒
 - * Mail/Courier cost savings
 - * Ability to track invoices from receipt

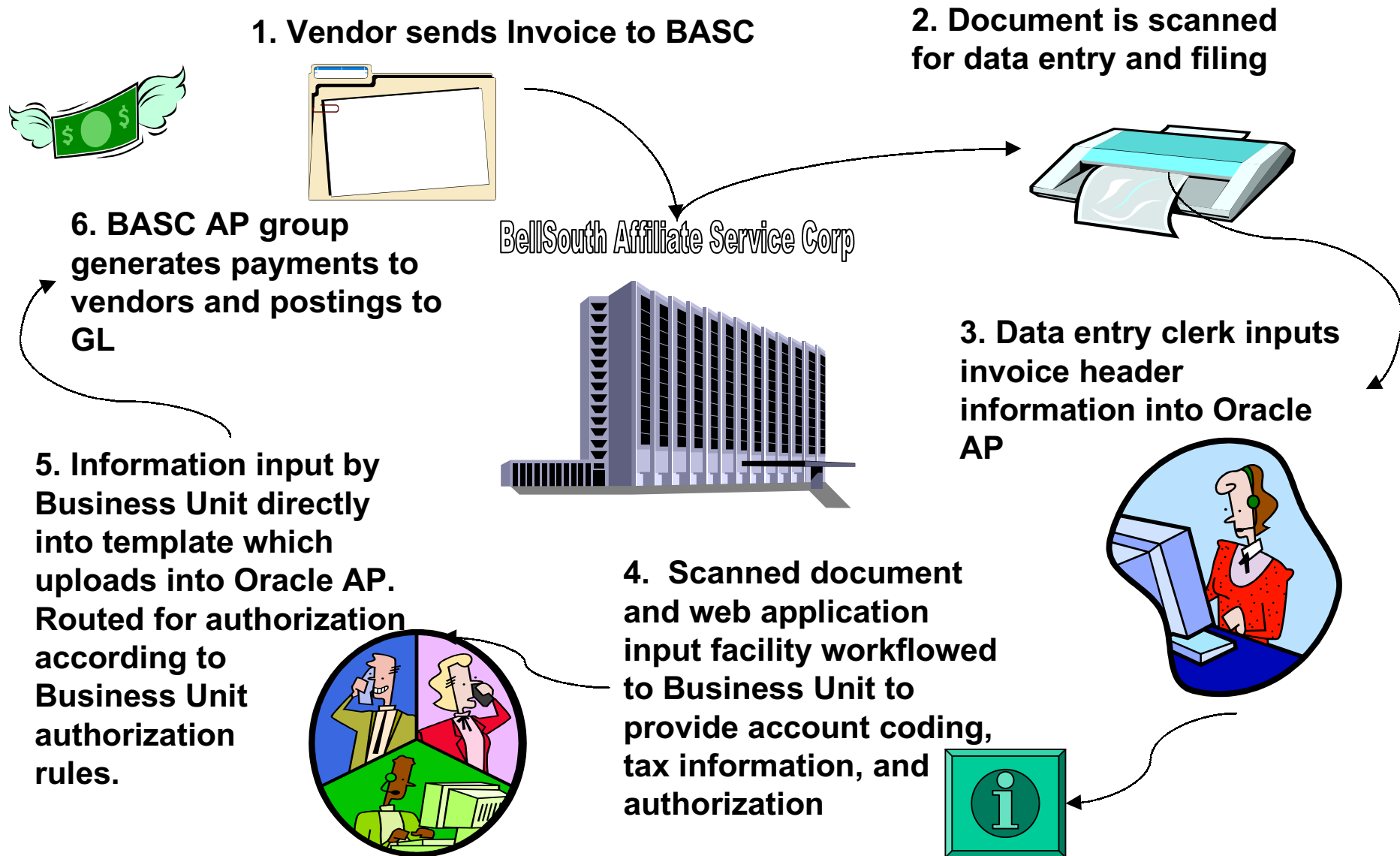
170 Systems/Oracle/other Kodak Scanner

BELLSOUTH[®] 170 Systems Architecture



- Centralized receipt/entry of invoices from vendor
- Workflow and scanning will be implemented
- Purchasing card implementation
- Single bank account
- Oracle PO not initially available

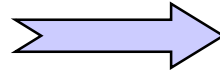
At a high level, the AP process would look like this...



Current State

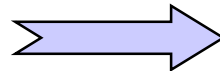
Changes

Business units have independent relationships with vendors



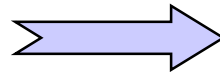
BASC centralized vendor maintenance maximizes potential for vendor management by BellSouth Procurement

Invoices mailed directly to various Business Unit locations



BASC receives all invoices directly from vendor

Paper invoices are routed from the point of receipt to the certifier, to the approver, and to the AP processing group, resulting in frequent inbox delays



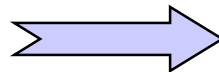
Scanned invoices are routed to the certifier, approver and back to BASC via workflow technology that provides monitoring for timeliness

Remote user keys all information



BASC keys header information; account codes, tax information and authorization populated by business unit users

Invoices filed and stored using various methods

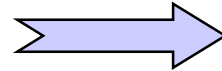


BASC scans all invoices for data entry and easy filing and retrieval

Current State

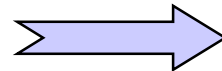
Changes

100% edit of transactions at most entities



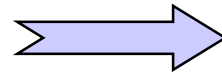
Statistical sampling at BASC will drastically reduce the number of transactions reviewed

Payments are processed by each entity using separate bank accounts which require reconciliation



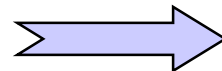
Payments will be consolidated using one central account, requiring only one reconciliation

Not all entities take advantage of discounts



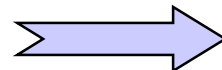
BASC will always take early payment discounts where available

Procurement Card usage is currently limited to BST, BBS & BBI



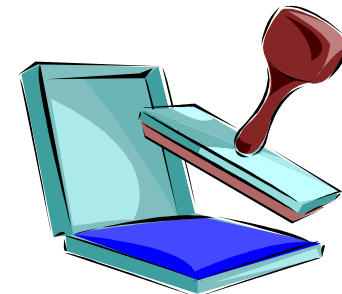
Procurement Card will be rolled out to all organizations to eliminate expensive processing costs for low dollar transactions

Use of electronic feeds are limited to primarily internal systems



BASC can negotiate electronic invoicing with high volume vendors on behalf of all entities

- Centralized vendor file maintenance
- P-card for low \$ transactions
- Business Units responsible for monitoring authorizations
- Statistical Sampling for edit function
- Auto approval for certain electronic feeds



Major Changes:

Decentralized Invoice Receipt

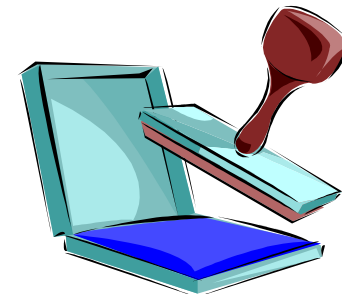
- ✓ Field coordinates with vendors
- ✓ Manual certification and authorization of hard-copy invoices
 - ✓ Certifiers & Authorizers use of MarkView is no longer required
 - ✓ Field submits invoice to BASC when ready for processing



Major Changes (Cont):

Invoices Workflowed to Coders Only

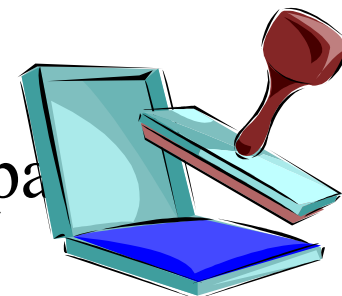
- ✓ Coders input the authorizer's name
- ✓ Six Day Rule is eliminated
- ✓ Coders responsible to process invoices to ensure timely payment
- ✓ Aging reports will alert Controllers to processing delays



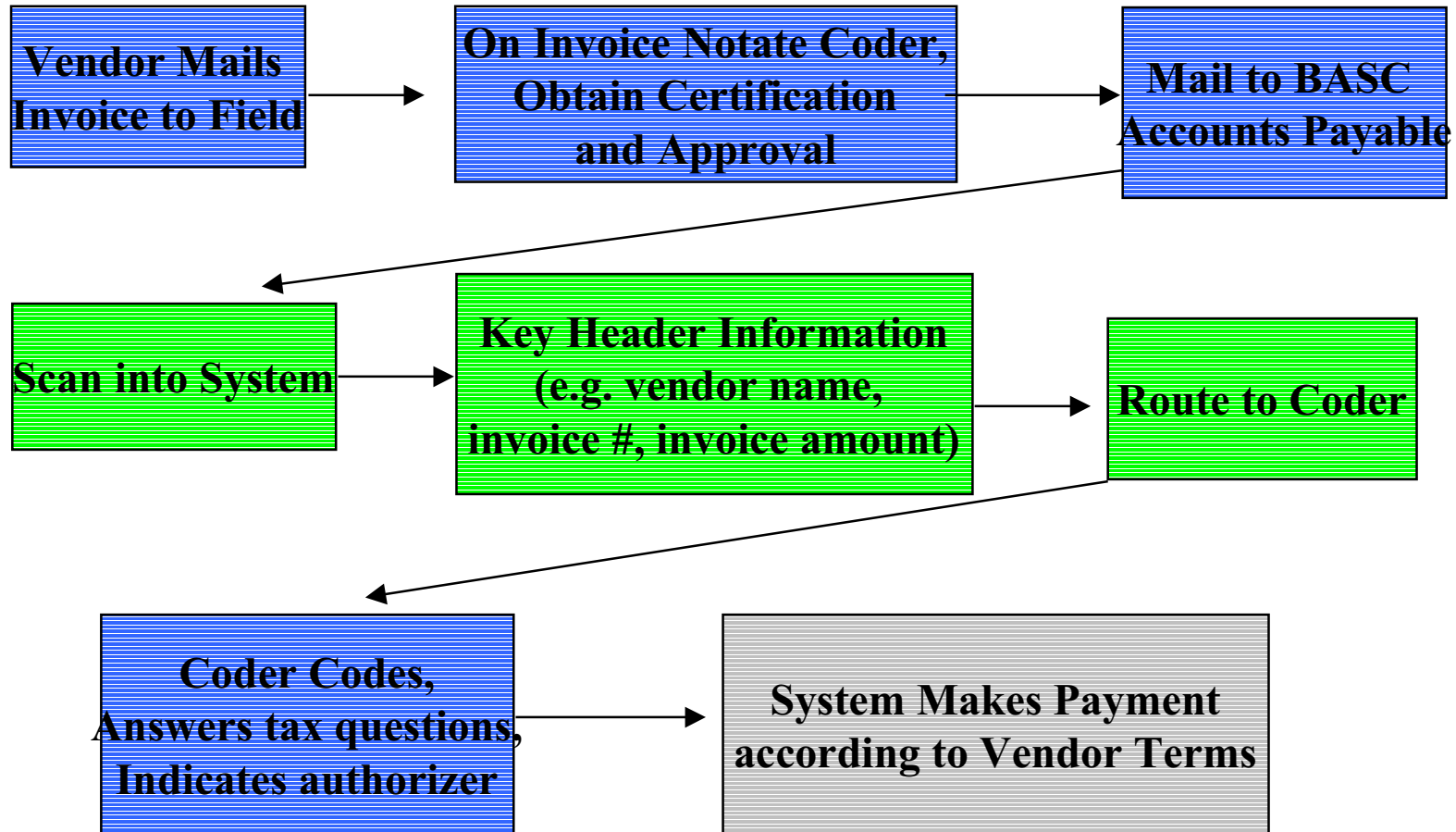
Major Changes (Cont):

Only use of fax server will be for Rush Invoice requests

- ✓ All other invoices must be mailed in to BASC for processing
- ✓ Coder routing choices:
 - ✓ To another Coder
 - ✓ Ready to Pay
 - ✓ Back to BASC if error or “do not pay”



New Accounts Payable Process Flow (As of 1/1/2001)



Questions ?

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