

Brief

# HP invoicing of Managed Print Services (MPS)



## An overview of our billing philosophy and invoice process

Your MPS program is up and running and you are anticipating your first invoice. Learn how HP's proven invoicing philosophy helps minimize processing time, and brings further clarification regarding your general office printing costs.



## Choosing monthly or quarterly invoices

As you finalize your MPS contract with HP, you will be asked to select a billing period; either monthly post-pay or quarterly pre-pay. HP recommends quarterly pre-pay in order for clients to experience the greatest efficiencies and cost savings. Processing 4 invoices a year requires less time and is less costly than processing 12 invoices a year. Any 30-day period constitutes a month and any 90-day period constitutes a quarter and has no reference to a specific calendar month or quarter.

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Note: If the client selects the monthly post-pay option, HP will typically include an uplift charge to the invoice to cover the increased support costs for producing 12 invoices annually as opposed to 4 invoices.

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## Invoicing process



### Step 1: Entitle devices and gather initial page counts

Invoice preparation is based on the entitlement date agreed upon during an onboarding discussion. An initial page count is gathered near or on the entitlement date to determine the beginning page count for each device for future invoicing.



### **Step 2: Client provides Group Billing Codes (if desired)**

Clients have an option to indicate a group billing code for each device to facilitate an organized invoice by department or group. Devices with an indication of “like” billing codes will be grouped together on the invoice under a heading of the common group billing code. Billing group code data entry must be completed prior to the beginning of invoice preparation in order to be reflected in the current billing period invoice; otherwise the information will be reflected on the next invoice. Requests to add group billing codes can be facilitated by your Account Manager, or by emailing: [CMPS-US-Dispatch@hp.com](mailto:CMPS-US-Dispatch@hp.com)



### **Step 3: Collect 30-day page counts**

A second page count is collected after approximately 30-days of service, with a goal of receiving data from all devices in the fleet included in the MPS contract. In cases where a page count can't be collected within a reasonable timeframe, an average page count is used based on similar device printing history as seen in HP's entire pool of managed devices or actual printing history if known. Actual page counts are reconciled on subsequent invoices. This practice is used to help minimize the length of time required to prepare the first invoice.



### **Step 4: HP prepares and delivers the first invoice**

The first invoice can take up to 60 days to prepare after entitlement is completed (health check and application of printer identification stickers). HP works with you to reconcile the fleet as quickly as possible to shorten the timeframe for the first invoice.



### **Step 5: HP prepares and delivers the second (and continuing) invoice(s)**

Delivery timing of the second invoice is approximately 30 days/90 days after the first invoice, dependent on the billing cycle (monthly or quarterly). Delivery date is approximately two weeks after the close of the billing cycle. In cases where the first invoice is significantly delayed, second invoices may be delivered in a shorter timeframe. Invoices may include reconciliation charges or credits, especially when quarterly pre-billing is in play.

### **Time and materials charges**

Time and materials charges can be incurred during the health check process, when supplies are delivered prior to contract start dates at the request of the end-user, or when service or supplies have been requested on a device that has been removed from the contract. If new hardware was purchased and HP was asked to assist in the installation process, installation fees may also be invoiced separately.

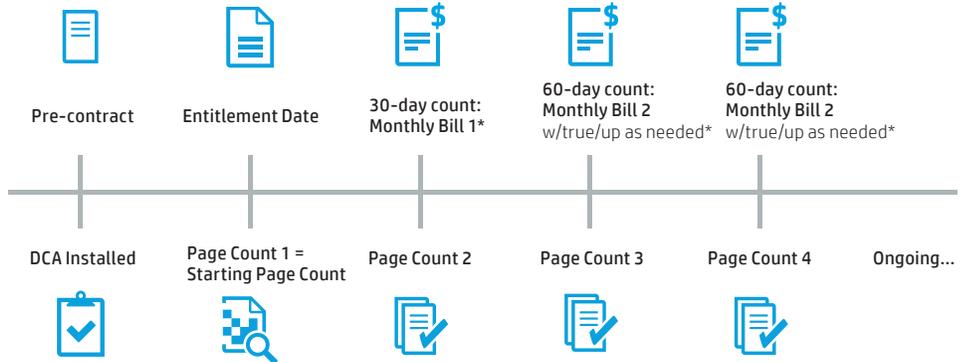
## **HP MPS Billing Philosophy**

Data collection agents are not without flaws; however HP's billing philosophy mitigates most potential billing discrepancies. Clients can establish data collection activity on differing days, at varying times or intervals. Some clients allow a data sweep several times a day, and others once a week. A number of issues can stall a sweep of the network including power outages, software updates, or cyclical activities such as quarterly closings. HP's billing system identifies the data sweep closest to the billing close date to use for invoicing. Because a “current” page count is compared against the previous ending page count to determine the number of pages to be billed, all charges are easily reconciled.

If there is only one page count available at the time of the first invoice, an estimate will be used based on the print history from HP's entire managed fleet for the specific device type. For subsequent invoices when page counts are missing and when there are at least two page counts, an average will be calculated and billed. It's important to notify HP when a device is being retired. Otherwise, estimated billing practices will continue.

Non-networked devices included on an MPS contract require a person (either a client, partner or technician) to manually provide a page count at the end of a billing period. This task is most easily accomplished by printing a configuration page which will contain the current page count, on or near the end of the billing term, and sending it to HP at: [CMPS-US-Meters@hp.com](mailto:CMPS-US-Meters@hp.com). If current page counts have not been received by end of the billing cycle, HP may choose to use averages in order to create the invoice.

## Monthly Billing Scenario



### Example Billing Approach (per device):

Page Count 1 = 1,000 pages (starting page count)

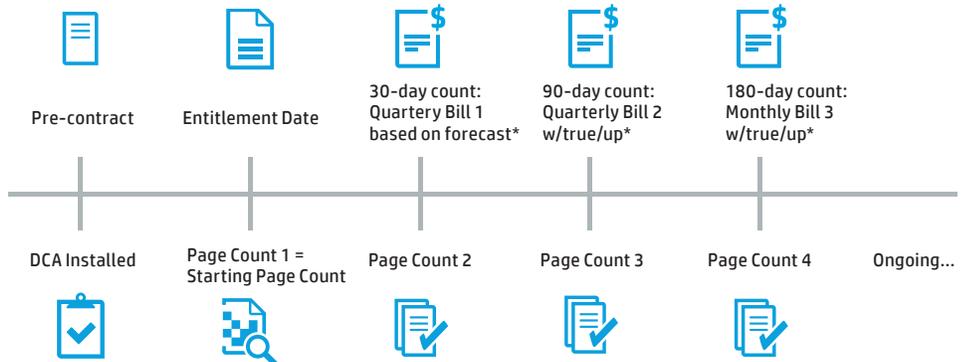
Page Count 2 = 2,500 pages – Billable pages: 1,500

Page Count 3 = 3,700 pages – Billable pages: 1,200

Page Count 4 = 4,800 pages – Billable pages: 1,100

\* If page counts are not available for a device at the time the invoice is prepared, an estimated page count is billed. In our example above, if Page Count 2 for this device was not available, the monthly bill would have been estimated based on the printing history of HP's entire managed fleet for the same device type. A true-up exercise is conducted the next time an actual page count is available at/near the end of a billing cycle. The actual page count is compared against the previous estimate with the addition of any new pages printed during the billing period.

## Quarterly Billing Scenario



### Example Billing Approach (per device):

Page Count 1 = 1,000 pages (starting page count)

Page Count 2 = 5,000 pages resulting in Billable pages of 4,000 x 3 months = 12,000 owed (forecasted and pre-billed)

Page Count 3 = 10,000 pages resulting in Billable pages of 9,000 - 12,000 (pre-billed) = -3,000 (true-up) + 9,000 (new pre-bill) = 6,000 owed

Page Count 4 = 20,000 pages resulting in Billable pages of 10,000 - 9,000 (pre-billed) = 1,000 (true-up) + 10,000 (new pre-bill) = 11,000 owed

\* Quarterly bills are forecasted based on past printing history with a true-up every quarter. If a Page Count is not available for a device at the time an invoice is prepared, estimates are used for billing purposes based on actual past printing history.

## Frequently Asked Questions regarding Invoicing:

**Q: Can I stipulate the date invoices are prepared and delivered to me?**

A: HP is unable to accommodate this request as billing cycles can close on any given day of any given month. In this way, the invoicing workload is spread over time.

**Q: I received my bill and the devices are not organized by department or location. What can I do about it?**

A: HP will organize invoices by the Billing Group codes you provide for each device. The added Billing Group codes would be reflected on the next invoice delivered. Contact [CMPS-US-Dispatch@hp.com](mailto:CMPS-US-Dispatch@hp.com) to provide billing group code data.

**Q: How do I collect and send page counts for non-reporting devices?**

A: Print a configuration page from each device on or near the end of the billing cycle and send to: [CMPS-US-Meters@hp.com](mailto:CMPS-US-Meters@hp.com)

**Q: I see some black charges listed under color devices on my invoice. Why?**

A: Some color devices print black by combining all colors. Pages printed from these devices are listed as color devices with two lines items: one for color and a second line for black pages at a lower rate. HP uses the label of “black” as opposed to “mono” in these circumstances.

**Q: What is the delivery timeframe for invoices?**

A: Invoices are prepared two to four weeks following the end of the invoicing period and are emailed/mailed to the accounting contact person of record on your account.

**Q: Why would I ever receive a time and materials invoice?**

A: Some charges are not included in your “cost-per-page” rates. For instance, supplies provided during the health check are billed separately. In addition, any service request for a device that is not on contract, but receives service or supplies from an HP Authorized Technician, will be billed on a time and materials basis.

**Q: Who do I contact when I have questions about invoices?**

A: Contact your HP MPS Sales Representative, Account Manager, or email the HP MPS finance department at: [CMPS-US-AR@hp.com](mailto:CMPS-US-AR@hp.com)

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