

**SADIS COST RECOVERY & ADMINISTRATIVE GROUP (SCRAG)**

**NINETEENTH MEETING**

(London, UK, 30<sup>th</sup> October 2018)

Agenda Item 5: Review of the status of SADIS payments for the current year (2018) invoices

**LOW VALUE SADIS INVOICES**

(Presented by the United Kingdom)

**REFERENCES**

SCRAG 18 Report.

**1. INTRODUCTION**

- 1.1 At the SCRAG18 meeting, the relatively high administrative costs of billing States for small amounts was discussed (3.8 in the SCRAG 18 report).
- 1.2 It was proposed that for 2018, SADIS invoicing was limited to balances that surpassed 10 GBP. Notification letters were sent to the affected States in January 2018 to explain that they would be invoiced in 2019 or later, once their multi-year outstanding balance exceeded 10 GBP.
- 1.3 At SCRAG18 a working paper was requested to formalise the procedures for invoicing these small amounts based on the 2018 trial.

**2. DISCUSSION**

- 2.1 Table 1 below summarises the States whose invoice balances were below 10GBP, and the year in which the small invoice stemmed from.

|          |  |
|----------|--|
| Armenia  | 9.68 (2018)  |
| Eswatini | 1.83 (2018), 1.27 (2017), 1.40 (2016) and 2.64 (2015). Total 7.14                                      |
| Gabon    | 2.41 (2018) <i>Note: this this was invoiced and paid in conjunction with four other ASECNA states.</i> |
| Slovakia | 1.10 (2018)  |

- 2.2 Administration of these accounts, and the provision of explanation letters by the SADIS provider has been straightforward.
- 2.3 The cost of issuing SADIS invoices has been evaluated, and it is estimated that processing each invoice costs the SADIS provider approximately 30 GBP.
- 2.4 There are therefore several options on how to deal with small invoices in future years.
- a) Continue to amalgamate invoices across several years and only invoice when the total exceeds 10 GBP.
  - b) Amalgamate invoices across several years and only invoice when the total exceeds 30 GBP (or some other threshold that is determined at SCRAG19).
  - c) Stop billing for amounts below 10 GBP and instead share this cost between all other states.
- 2.4 For options a) and b), when appropriate these sums will be added as an extra line(s) onto the appropriate SADIS invoice.

### **3. CONCLUSION**

- 3.1 The meeting is invited to determine how low value invoices are handled in subsequent years, and to assist in formulating the following draft decision:

#### **Draft Decision 19/xx — Low value SADIS invoices**

That SADIS invoices or total balances are only invoiced when above 30GBP. Totals will be carried forward and included on the invoice in a subsequent year.

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