FAQ - Order processing

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FAQ - invoicing process

What is the difference between an order and an invoice?

You place an order with Smart with all the information required to issue an invoice. Once the order has been checked by our team, it is confirmed and an invoice is issued. The invoice is an official document.

If you choose client confirmation, you can also use the order as an offer for your clients.

Who is the sender of the invoice?

The invoice is sent by Smart and all of Smart's tax details are provided on the invoice (tax number, VAT number, billing address, account details). All other details for the invoice are taken directly from your order in the portal.

From 2025, all invoices will be sent as electronic invoices in accordance with the XRechnung standard (PDF + XML file).

You can find more information on electronic invoices on the website of the Federal Ministry.

Will I receive a copy of the invoice e-mail?

Yes, we will send all invoices to you in cc, to the contact person in the order and, if applicable, to the clients general e-mail address, if specified in the database.

My client does not need an invoice

Even if the client does not require an invoice, Smart must always issue an invoice for accounting reasons.

If the client transfers the money to us without an invoice, please create an order in the portal after receiving the money and note under 'Special agreement' that the invoice should not be sent to the client and will only be issued internally. You can also note there that the invoice has already been paid.

In addition, you can write your own e-mail address for this client in the client profile. You will then receive the invoice in cc. The same applies to the 'Contact person' field.

> Please note: Your budget will soon be linked directly to the portal. It is therefore necessary that you always create an order. Otherwise the amount will not appear in your budget.

Is it possible to issue the invoice in another language?

All invoices are issued bilingually in German and English. Therefore, please fill in the fields in the order either in German or in English. It is not possible to issue the invoice in another language.

Is it possible to change the layout of the language?

No, this is a standard layout in our software.

How can I view the processing status of my invoices?

Via the bar with the status of your order processing in the Smart Portal and in your budget overview on the mein.Smart.

What should I do if clients want to sign their own contract?

It is possible to have a separate, additional contract with further details about the order. The contractual partner for additional contracts must be SMartDe eG, represented by: "Your name", Mehringplatz 8, 10969 Berlin - you are therefore also signing additional contracts as a representative of the cooperative. Smart requires a copy in any case - please submit this via the portal when creating the order.

When can I skip client confirmation without losing the payment guarantee?

If you already have a signed fee contract or other written confirmation of the order with Smart and your client. If you do not have an additional contract, there is the alternative of having the client sign the Smart order form in pdf format (available in Downloads) and then uploading it to the portal.

Can I send additional files with the invoice?

No, unfortunately this is not possible. Additional files can only be sent from the Portal via the order confirmation process and not with the invoice. However, you will receive the invoice in cc and can then forward the additional documents to your client yourself.

There is also the option of uploading files in the order form in the Smart Portal and sending it to the client confirmation. These can be retrieved and uploaded by your client in the confirmation link. Please note that the files are no longer available after confirmation because the link expires. They should therefore be downloaded if necessary.

Can my invoice be sent before the scheduled invoicing date? Can I request changes before the invoice is issued?

Draft invoices are created in the Smart Portal 7 days before the invoice date based on your order. You receive an e-mail with the information that the draft has been created and it is possible for you to send the invoice on your own. Click on the invoice draft, check that everything is OK and click on "Save and send" to send the invoice to your client independently. If there is no action from your side, the invoice will be sent by Smart at the planned invoice date.

If changes need to be made, you can select "Request changes" and inform us of the desired adjustments in the "Reason" field. We will make the corrections and issue the invoice.

FAQ - VAT tax

I am a small business owner - why does Smart issue an invoice with VAT?

Because Smart is subject to VAT and the invoice is issued via Smart and not with your private tax number.

What VAT rate applies?

Smart is subject to VAT. Whether a service is subject to the regular VAT rate (19%) or the reduced VAT rate (7%) is defined by the German VAT Act. At the end of the order creation process in the Smart Portal, you will be shown which tax rate applies to your service.

Services with the reduced VAT rate (7%) are, for example:

- Transfer of rights (rights of use, license fees...)
- Tickets for theaters, concerts, museums
- Performances by performing artists comparable to theater performances and concerts (§ 12 para. 2 no. 7a UStG)

For certain **teaching activities**, Smart can invoice **without VAT**. This is only possible for employees of Smart Bildungswerk.

What VAT rate applies to clients abroad?

If the client is **a company in another EU country with an international VAT ID number**, the invoice is issued without VAT (reverse charge principle). If the client does not have an international VAT ID number, it is assumed that they are not a business but a private person- the invoice is therefore issued with German VAT.

If the client is **a company in a non-EU country**, the invoice is usually also issued without VAT. In this case, we do not need the client's VAT ID number, but there must be other indicator of a business structure (e.g. a website).

If the client is **a private person abroad**, we must check whether Smart can invoice the service. Certain services to private individuals cannot be invoiced by Smart if the services are actually provided abroad. This applies, for example, to artistic services and teaching services that are physically provided abroad or received online abroad. If the service can be processed,

there applies a German VAT rate.

What VAT rate applies to city tours?

A city tour is considered a so-called *other service* related to immovable property or a specific location (§ 3a para. 3 no. 3a of the German VAT Act – UStG). Since a tour takes place at a specific location, the place of service is always where the service is physically carried out. Regardless of whether your client is based in the EU or in Germany, the service is location-based and is taxed in the country where it is performed.

Where is the place of service?

- **Place of service is Germany**: The service is subject to German VAT. The city tour falls under the standard regulations. The applicable VAT rate is 19%. You do not need to include the foreign VAT-ID of your customer, as the reverse charge mechanism does not apply in this case.

> Optionally, you can add a note like this on the invoice:"Place of service according to § 3a para. 3 no. 3a UStG is Germany. This service is subject to VAT in Germany."

- **Place of service is in the EU:** The service is subject to VAT in the respective EU country where the service is performed. For example, if you hold a city tour in Paris, the invoice must include French VAT.
- **Place of service is in a third country (non-EU)**: The service is not subjected to German VAT law. Therefore, the invoice is issued without VAT.

FAQ - Payments

What kind of payments are possible?

The invoice that the client receives from Smart contains Smart's bank details where the money should be transferred.

In exceptional cases, however, payments can also be made via PayPal or Wise. Please note that this often incurs high fees, which should be carried by the client.

Who bears the bank charges?

Please note that any bank charges incurred are to be borne by the client. This is also stated on all invoices that we send. In some cases, the fees are charged to Smart and the final payment is less than the amount invoiced. The receipt of payment minus the fees is then credited to your budget.

If you would like additional active communication with clients regarding the fees, please inform Smart via clients@smartde.coop so that we can contact your clients directly.

What to consider with currency exchange differences?

If you create an order in a different currency (e.g. USD, CHF, PLN, etc.), the order is planned in the budget in € according to the exchange rate on the day when the order was created. There may be differences in the € exchange rate at the time of the order value of the invoice on the day of creation and on the day of payment. The amount actually received is credited to the budget in €.