Vendor Pay Terms

The University of Missouri is expanding the use of standard pay terms and early pay discount options. Payment processes are timely enough to take advantage of these benefits. Standard Pay Terms for the University are Net 30. Additional early pay discount options, which return discounts directly to departments placing an order, are being sought when possible.

These pay terms will NOT impact payments to Students or Employees.

How are discount, net, and payment dates calculated?

Discount Due Dates and Net Due Dates are driven by the Invoice Date entered on the voucher. The Discount Due date uses the Invoice Date + the days noted in the discount portion of the terms. The Net Due date uses the Invoice Date + the days noted in the net portion of the term. The most common discount term negotiated is 2/10 N30. This means a 2% discount will be realized if payment is made within 10 days of the invoice date, otherwise payment will be made within 30 days.

Check cycles run every Tuesday night. Vendors paid by check, with Vouchers ready for payment, and with Scheduled Due Dates noted through the coming week will be picked up for payment processing. This ensures payments will not be processed late due to the scheduled due date landing between check writing nights. ACH cycles run nightly and payments will be made as scheduled.

How are discounts and payments reflected in Web Apps PS Search Options?

The display on the Voucher Screen in PS Search Options (UM Web Applications) has been modified to reflect both a Discount Due Date and a Net Due Date. The Discount Due Date is when the voucher will be due for payment if all the payment selection criteria have been met (valid budget check, matched, etc.). If the Discount Due Date is passed and the voucher has not been paid, the next payment due date will be shown as the Net Due Date.

VOUCHER ID: 01197372

BAXTER HEALTHCARE CORP
0100002561-1
(Vendor Status: Approved)

PO ID: H18142
Invoice Number: 37166498
Invoice Date: 20-Apr-2012
Discount Due Date: 10-May-2012
Net Due Date: 20-May-2012

If Due Immediately or a Net Pay term (i.e. NET30) is used, no Discount Due Date will be shown, only a Net Due Date.

VOUCHER ID: 01194698

ASPEN SURGICAL PRODUCTS INC
0100063789-2
(Vendor Status: Approved)

PO ID: 0000121280
Invoice Number: CD1629259
Invoice Date: 03-Apr-2012
Discount Due Date:
Net Due Date: 03-May-2012

What other pay terms may be used on a Vendor?
Some vendors may opt to be paid within a certain number of days without a discount. Net30 is a popular term and it means that payment is due within 30 days of the invoice date. With these types of terms the vendor does not offer a discount for paying early, but they want to be paid within 30 days. NOTE: Some of our vendors have opted for payment via a virtual single-use credit card (SUA). These vendors are typically set with pay terms of Net 15. Like ACH payments, these payments are processed on a nightly basis.

Early pay discount terms are when the vendor will offer us a discount to pay within a certain number of days. If payment is not made within the discount period, the full amount is due within a certain number of days. These terms will be noted with the discount and days requirement followed by the net due date. (i.e.: 2/10 N30 – 2% discount if paid within 10 days or net due within 30 days).

How will discounts be reflected on a department's PS Income Statement?
When a voucher posts, the full expense will be reflected on the Income Statement. Once the voucher is ready for payment and if the University is able to take a discount, the discount will be reflected as a credit in PS Account 742101: Vendor Discounts-Earned/Lost on the Income Statement.

Who should be contacted for additional questions?
Vendors wishing to discuss payment term options should be directed to the Procurement Hotline. The Hotline is also available to answer additional questions from Departments.