[Company name]

How to use this document: delete this paragraph before saving, sharing, or circulating it. Every part shown in blue is yours to replace: type your own details over each blue [field] until no blue remains. Then select all (Ctrl+A) and set the font colour to the same dark colour throughout. What is left is your finished document.

Vendor Payment Terms Sheet

Item	Detail
Supplier legal name	[Legal name of supplier]
Contract or order reference	[Contract or order reference for this supplier]
Date these terms take effect	[Date these payment terms take effect]
Date these terms were agreed	[Date these payment terms were agreed]
Name of person who agreed these terms for the buyer	[Name of person who agreed these payment terms for the buyer]
Name of person who agreed these terms for the supplier	[Name of person who agreed these payment terms for the supplier]

1. Agreed payment terms

Term	Agreed position
Payment method	[Agreed payment method for this supplier]
Payment term: number of days from invoice date to payment	[Agreed number of days from invoice date to payment]
Date from which the payment period runs	[Date from which the payment period runs]
Early payment discount percentage, if any	[Agreed early payment discount percentage]
Early payment discount period in days, if any	[Agreed early payment discount period in days]
Currency for payments	[Currency for payments to this supplier]
Tax treatment of invoices	[Agreed tax treatment of invoices from this supplier]
Late payment charge, if any	[Agreed late payment charge for this supplier]
Payment run day or cycle	[Agreed payment run day or cycle]
Bank charges: who bears them	[Agreed position on who bears bank charges]

How to read a discount term: the discount percentage is the reduction given for payment within the discount period, and the payment term is the number of days within which the full amount must otherwise be paid. State all three parts together whenever the discount is quoted, so no invoice is paid on a misunderstanding of the term.

2. Invoice requirements

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An invoice will be accepted for payment only if it meets every requirement below. An invoice that does not meet them will be returned with the reason stated, and the payment period will run from receipt of a corrected invoice.

- Purchase order number quoted: [Requirement for the purchase order number on invoices]
- Supplier legal name and address shown: [Requirement for supplier details on invoices]
- Description of goods or services matching the order: [Requirement for the description on invoices]
- Quantities, unit prices, and total shown separately: [Requirement for quantities and prices on invoices]
- Tax shown separately where applicable: [Requirement for tax on invoices]
- Address for sending invoices: [Address for sending invoices to the buyer]
- Time limit for submitting invoices after delivery: [Time limit for submitting invoices after delivery]

3. Disputed invoices

If an invoice or part of an invoice is disputed, the buyer will notify the supplier within [Number of days within which invoice disputes will be notified] of receipt, stating the reason for the dispute and the amount disputed. The undisputed part of the invoice remains payable on the agreed terms. Neither side will withhold an undisputed amount because another amount is disputed. If the dispute is not resolved within [Number of days within which invoice disputes must be resolved], it is escalated to [Name or role for escalation of invoice disputes].

4. Price changes and deductions

Prices agreed in the contract or order may change only as set out here: [Agreed rules for price changes]. No deduction may be taken from a payment except: [Permitted deductions from payments to this supplier]. Any deduction taken outside this list must be reversed and the amount repaid within [Number of days within which an incorrect deduction must be repaid].

5. Amendments and sign-off

These terms may be changed only by a written amendment signed by both sides, recording the date of change and the terms changed. The amendment history below must be kept with this sheet.

Amendment number	Date of amendment	Terms changed	Agreed by
[Amendment number one]	[Date of amendment one]	[Terms changed by amendment one]	[Name of person who agreed amendment one]
[Amendment number two]	[Date of amendment two]	[Terms changed by amendment two]	[Name of person who agreed amendment two]

Signatures

Role	Name	Signature	Date
Buyer representative	[Name of person who agreed these payment terms for the buyer]	[Signature of buyer representative]	[Date of buyer representative signature]
Supplier representative	[Name of person who agreed these payment terms for the	[Signature of supplier	[Date of supplier representative

[Company name]

supplier]	representative]	signature]