[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

Supplier legal name: _____ **Contract or order reference:** _____

Date these terms take effect: _____ **Date these terms were agreed:** _____

Name of person who agreed these terms for the buyer: _____

Name of person who agreed these terms for the supplier: _____

1. Agreed payment terms: Payment method: _____

Payment term: number of days from invoice date to payment: _____

Date from which the payment period runs: _____

Early payment discount percentage, if any: _____

Early payment discount period in days, if any: _____

Currency for payments: _____ **Tax treatment of invoices:** _____

Late payment charge, if any: _____ **Payment run day or cycle:** _____

Bank charges: who bears them: _____

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 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: Buyer representative: Name: _____ **Signature:** _____ **Date:** _____

Supplier representative: Name: _____ **Signature:** _____ **Date:** _____