

P to P

Prepare to Procure

June 21, 2011

RIT Procurement Services

475-2107

[http://finweb.rit.edu/purchasing/
purchase@rit.edu](http://finweb.rit.edu/purchasing/purchase@rit.edu)

Standard Payment Terms

Net 30 – RIT’s standard payment terms are “n/30” (net 30). This means from the date on the supplier invoice, RIT has 30 days to pay the supplier. Since n/30 payment terms are a common industry standard; most suppliers find them to be acceptable. N/30 terms provide adequate time to process the invoice, including obtaining the appropriate approvals, and to issue the payment. Any deviation from RIT’s standard payment terms can result in additional costs to the University. Thus, all exceptions to the standard practice will be reviewed by the PSO and may require additional documentation to support the exception.

Discounts for Early Payment – Many suppliers offer a discount for early payment. For example, an invoice that says “2/10, n/30” means that if RIT pays the invoice within 10 days of the date on the invoice, we are entitled to receive a 2% discount off of the invoice amount (i.e., the discount reduces the amount paid by the department). In order to qualify for early payment discounts, please ensure that all invoices are forwarded to Accounts Payable immediately upon receipt.

Late Fees – Certain suppliers assess late fees when payments are not made within the specified terms. To ensure that your purchase is not subject to late fees, please forward invoices received by your department to Accounts Payable immediately upon receipt.

If you have any questions about this topic please contact Debra Kusse, Executive Director of Procurement, at dskpur@rit.edu or 475-3947.

