

RIDER 116 INVOICE PAYMENT REQUIREMENTS

Section 1. CONTRACT VALUE

The total cost of the goods and/or services under this Agreement will not exceed the "Cap Amount" without the prior written authorization of M. D. Anderson's Supply Chain Management Department. Absent prior written authorization, invoices for amounts in excess of the Cap Amount will not be paid and will be returned unpaid.

Section 2. INVOICE ROUTING; FORMAT; TIMELINESS

2.1 Invoice Submission Location:

M. D. Anderson cannot retrieve invoices through Contractor's website and can only accept invoices through the following format (listed in order of preference):

Submittal Format	Submittal Address
EDI	Qualifying Contractors contact: Supply Customer Service at 713.745.8355
E-mail (one invoice per e-mail in PDF form)	mdaccap@mdanderson.org
United States Postal Service	Accounts Payable- Unit 199 P.O. Box 301401 Houston, TX 77230-1401
Carrier (UPS, Fed Ex, etc.)	The University of Texas M. D. Anderson Cancer Center Accounts Payable –Suite 600 7505 Fannin St. Houston, TX 77054
Facsimile	713.792.7448

- 2.2 Electronic Invoice:** An electronic invoice shall be provided in a secure, non-alterable electronic format (Adobe *.pdf is acceptable) e-mailed directly to mdaccap@mdanderson.org with the Contractor name and invoice number in the e-mail Subject line. Do not send or copy the M. D. Anderson Accounts Payable representative. M. D. Anderson will accept only one invoice per e-mail and all invoices must include a valid M. D. Anderson Purchase Order Number. Invoices without a Purchase Order Number or an incorrect Purchase Order Number will be returned unpaid to the Contractor.
- 2.3 Effective Invoice Period:** Contractor will submit invoices within sixty (60) calendar days after delivery of the goods or complete performance of the services invoiced. M. D. Anderson will not be obligated to pay invoices that are not received within sixty (60) calendar days after delivery of the goods or complete performance of the services, unless acceptable delays are identified and approved in writing by M. D. Anderson prior to the delay.
- 2.4 Payment Terms:** Unless otherwise stated in the Agreement or Purchase Order, payment terms default to Net 30 from the date a correct invoice is received.
- 2.5 Third Party Invoicing:** M. D. Anderson does not accept invoicing from third parties acting on behalf of the vendor.

Section 3. ACCURATE BILLING

3.1 Invoice Requirements

Each invoice must include:

- Billing related to only one valid M. D. Anderson Purchase Order.
- Valid M. D. Anderson Purchase Order Number clearly stated on the face of the invoice.
- Contractor's legal name and "remit to" address, telephone and fax numbers.
- A uniquely assigned invoice number.
- An invoice date.
- The M. D. Anderson "bill to" address.
- A description of the goods or services purchased with the line item purchase price.
- The correct invoice amount (invoices that contain an incorrect amount or a disputed amount will need to be revised and resubmitted).
- For goods, the manufacturer's part number, item description, quantity shipped, and unit price.
- A line item for all freight, shipping and handling costs related to the invoice (not billed separately).
- Line items matching M. D. Anderson Purchase Order line items (invoice lines must exactly match, or be less than, M. D. Anderson Purchase Order line items).

Each invoice must be a standard typed original invoice on Contractor letterhead. M. D. Anderson will not make payments based on statements, quotations, service contracts, shipping/packing slips, calculator tapes, work orders, pro-forma statements, Letter of Intent, Memorandum of Understanding or other non-invoice documents.

3.2 Deductions

M. D. Anderson may reduce payment to Contractor for the following reasons:

- Sales Tax (for more information refer to **Section 7.1** of this Rider 116).
- Negotiated Price is less than Invoice Price.

3.3 Credit Memoranda

Credit memoranda submitted to M. D. Anderson must include the Invoice Requirements set out in **Section 3.1** of this Rider 116, as well as the following:

- The phrase "Credit Memo" in clear and apparent text.
- A uniquely assigned Credit Memo number.
- A description of the goods or services credited.
- A valid Purchase Order Number against which M. D. Anderson may credit the Credit Memo amount.

3.4 Validating Purchase Orders

Purchase Orders for purchases not authorized by M. D. Anderson Supply Chain Management will be considered invalid. Invalid Purchase Orders may be researched by contacting the Buyer listed at the header of the Purchase Order. If the Buyer is unknown, Contractor may contact the M. D. Anderson Supply Chain Management Department at 713.745.8300.

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Section 4. ACH PAYMENT DISBURSEMENT METHOD

4.1 Preferred Payment Method -- Automated Clearing House (ACH): M. D. Anderson's preferred process for settling financial obligations is to utilize the National Automated Clearing House Association (NACHA) standard Cash Concentration and Disbursement (CCD) format. This industry standard process is utilized and recognized by most payees as the most efficient, safe and timely way to transfer funds. Our goal is that every payment made by M. D. Anderson is made via electronic funds transfers, unless legally prohibited. This service may be set up by contacting M. D. Anderson's Treasury Services and Operations office at 713-745-9580 or by e-mail TreasuryServices@mdanderson.org.

Upon payment initiation, your company will receive the remittance information by e-mail with an attached Adobe Acrobat PDF file containing information detailing the payment date, invoice number, dollar amount, etc. Questions regarding this matter can be directed to M. D. Anderson's Treasury Services and Operations office at 713-745-9580 or by e-mail TreasuryServices@mdanderson.org.

4.2 Check Disbursement: M. D. Anderson initiates payment disbursements on Tuesdays and Thursdays with typical funds availability the following business day.

4.3 Accounts Payable Invoice Approval Process

Goods: M. D. Anderson requires a 3-way match for payment on Purchase Orders for goods. The 3-way match includes a M. D. Anderson Purchase Order, a M. D. Anderson Materials Management Receipt, and a Contractor Invoice.

Services: M. D. Anderson requires a 2-way match for payment on Purchase Orders for services. The 2-way match includes a M. D. Anderson Purchase Order and a Contractor Invoice. In addition, complete performance of services must be verified by an appropriate M. D. Anderson representative before an invoice for such services will be paid unless otherwise stated in the Agreement.

Section 5. SUPPLIER INQUIRY OPTIONS

5.1 Payment Inquiry

Contractor may research invoice status by contacting the M. D. Anderson Accounts Payable Department through the following methods (a M. D. Anderson Purchase Order Number and/ or Contractor Invoice Number is required):

- E-Mail (questions only): mdaccAPInquiry@mdanderson.org
- Telephone: 713.745.9439
- Vendor Self Service (VSS) System: VSS is a secure, web-based system that allows Contractors to research detailed information regarding invoice status and M. D. Anderson payments online. To register for this service visit <http://mdanderson.org/suppliers> or call 713.745.7997.

5.2 Reconciliation of Payment

M. D. Anderson notifies Contractor that invoices have been paid by payment stub for standard check payments and e-mail for ACH payments.

5.3 Credit Hold

Contractor shall not suspend shipments of goods or performance of services unless Contractor complies with Subchapter D, Chapter 2251, *Texas Government Code*.

Section 6. MATERIALS MANAGEMENT

6.1 Freight: M. D. Anderson does not accept Collect On Demand (COD) shipping.

6.2 Receiving/Logistics/Dock: All deliveries must reference a valid M. D. Anderson Purchase Order Number or risk being turned away. Purchase Orders for goods not delivered to a M.D. Anderson receiving dock risk payment delays, unless otherwise stated in the Agreement.

M. D. Anderson Receiving Docks	
M. D. Anderson Hospital 1515 Holcombe Blvd. Houston TX 77030-4009	Basic Sciences Research Building 6767 Bertner Houston, TX 77030-2603
Houston Main Bldg./ Ambulatory Clinical Bldg./ Mays Cancer Prevention Bldg. 1155 Pressler Street Houston, TX 77030-3721	Faculty Center Building 1400 Holcombe Blvd. Houston, TX 77030-4008
Smith Research Bldg. 7777 Knight Road Houston, TX 77054-3005	South Campus Research Bldg. II 7435 Fannin Street. Houston, TX 77054-1901
Proton Therapy Bldg. 1840 Old Spanish Trail Houston, TX 77054-2002	

Section 7. GOVERNING LAWS

7.1 Taxes: M. D. Anderson is a tax-exempt State of Texas agency and an institution of higher education. Notwithstanding its exemption from certain state taxes, M. D. Anderson will be responsible for any taxes (except corporate income taxes, franchise taxes, and taxes on Contractor's personnel, including personal income tax and social security taxes) from which M. D. Anderson is not exempt. Contractor will provide reasonable cooperation and assistance to M. D. Anderson in obtaining any tax exemptions to which M. D. Anderson is entitled.

7.2 W-9: M. D. Anderson requires Contractor to have a valid W-9 on file with M. D. Anderson prior to all disbursements. Contractor may download the W-9 form from M. D. Anderson's website by accessing the Supply Chain Management Internet site at: <http://mdanderson.org/suppliers> then clicking on "Contract Information."

7.3 Payment of Debt or Delinquency to the State: Pursuant to Sections 2107.008 and 2252.903, *Texas Government Code*, Contractor agrees that any payments owing to Contractor under this Agreement may be applied directly toward any debt or delinquency that Contractor owes the State of Texas or any agency of the State of Texas regardless of when it arises, until such debt or delinquency is paid in full.

7.4 Prompt Payment Act: All funds held by M. D. Anderson are subject to the Texas Prompt Payment Act, Chapter 2251, *Texas Government Code*.