

RIDER 116
INVOICE PAYMENT REQUIREMENTS

Section 1. CONTRACT VALUE

- 1.1 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:** MD Anderson cannot retrieve invoices through Contractor’s website and can only accept invoices through the following formats (listed in order of preference):

Submittal Format	Submittal Address
EDI	Qualifying Contractors contact: Accounts Payable 713-745-9439
E-mail (one invoice per e-mail in “.pdf” data file form)	mdaccap@mdanderson.org
United States Postal Service	The University of Texas M. D. Anderson Cancer Center Accounts Payable – Unit 1699 P.O. Box 301401 Houston, Texas 77230-1401
Carrier (UPS, FedEx, etc.)	The University of Texas M. D. Anderson Cancer Center Accounts Payable 7007 Bertner Avenue – Unit 1699 Houston, Texas 77030

- 2.2 **Electronic Invoice:** Contractor must provide any electronic invoices in a secure, non-alterable electronic format (“.pdf” format data file is acceptable) e-mailed to mdaccap@mdanderson.org with Contractor’s name and invoice number in the e-mail Subject line. Contractor may not send to or copy the MD Anderson Accounts Payable representative on such e-mails. MD Anderson will accept only one (1) invoice per e-mail, and all invoices must include a valid MD Anderson Purchase Order Number. Invoices without a valid MD Anderson Purchase Order Number or an incorrect Purchase Order Number will be returned unpaid to 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. MD 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 MD Anderson prior to the delay.
- 2.4 **Third Party Invoicing:** MD Anderson does not accept invoicing from third parties acting on behalf of Contractor.

Section 3. ACCURATE BILLING

- 3.1 **Invoice Requirements:** Each invoice must include:
- 3.1.A Billing related to only one (1) valid MD Anderson Purchase Order.
 - 3.1.B Valid MD Anderson Purchase Order Number clearly stated on the face of the invoice.
 - 3.1.C Contractor’s legal name and “remit to” address, telephone, and fax numbers.
 - 3.1.D A uniquely assigned invoice number.
 - 3.1.E An invoice date.
 - 3.1.F The MD Anderson “bill to” address listed in Section 2.1 of this Rider 116 for the United States Postal Service submittal format.

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- 3.1.G A description of the goods or services purchased with the line item purchase price.
- 3.1.H The correct invoice amount (invoices that contain an incorrect amount or a disputed amount will need to be revised and resubmitted).
- 3.1.I For goods, the manufacturer's part number, item description, quantity shipped, and unit price.
- 3.1.J A line item for all freight, shipping, and handling costs related to the invoice (not billed separately).
- 3.1.K Line items matching MD Anderson Purchase Order line items (invoice lines must exactly match, or be less than, MD Anderson Purchase Order line items).
- 3.1.L If this Agreement contains early payment discount terms, "DISCOUNT" must be included at the beginning of the email subject line; provided, if Contractor fails to include "DISCOUNT" at the beginning of the email subject line, MD Anderson will still be entitled to such discount, regardless of whether MD Anderson pays within the prescribed payment period.
- 3.1.M If this Agreement relates to facilities matters, "FACILITIES" must be included at the beginning of the email subject line.

Each invoice must be a standard-typed, original invoice, without manual or written changes, on Contractor's letterhead. MD Anderson will not make payments based on statements, quotations, service contracts, shipping/packing slips, calculator tapes, work orders, pro-forma statements, letters of intent, memoranda of understanding, or other non-invoice documents.

- 3.2 **Deductions:** As a tax-exempt State of Texas agency, MD Anderson may reduce payment to Contractor for any taxes billed by Contractor to MD Anderson (including, but not limited to, sales taxes and any taxes for which Contractor is liable).
- 3.3 **Credit Memoranda:** Credit memoranda submitted to MD Anderson must include the invoice requirements set out in Section 3.1 of this Rider 116, as well as the following:
 - 3.3.A The phrase "Credit Memo" in clear and apparent text.
 - 3.3.B A uniquely assigned Credit Memo number.
 - 3.3.C A description of the goods or services credited.
 - 3.3.D A valid MD Anderson Purchase Order Number against which MD Anderson may credit the Credit Memo amount.

Section 4. ACH PAYMENT DISBURSEMENT METHOD

- 4.1 **Preferred Payment Method – Automated Clearing House (ACH):** MD 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 MD Anderson is made via electronic funds transfers, unless legally prohibited. This service may be set up by contacting MD Anderson's Treasury Services and Operations office at 713-745-9580 or by e-mail: TreasuryServices@mdanderson.org.

Upon payment initiation, Contractor will receive the remittance information by e-mail with an attached ".pdf" format data file containing information detailing the payment date, invoice number, dollar amount, etc. Questions regarding this matter can be directed to MD Anderson's Treasury Services and Operations office at 713-745-9580 or by e-mail: TreasuryServices@mdanderson.org.

- 4.2 **Check Disbursement:** MD Anderson initiates payment disbursements on Tuesdays and Thursdays with funds typically available the following business day.

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4.3 Accounts Payable Invoice Approval Process:

- 4.3.A **Goods:** MD Anderson requires a 3-way match for payment on Purchase Orders for goods. The 3-way match includes an MD Anderson Purchase Order, an MD Anderson Materials Management Receipt, and a Contractor Invoice.
- 4.3.B **Services:** MD Anderson requires a 2-way match for payment on Purchase Orders for services. The 2-way match includes an MD Anderson Purchase Order and a Contractor Invoice. In addition, complete performance of services must be verified by an appropriate MD 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 check on invoice status by contacting the MD Anderson Accounts Payable Department through the following methods (an MD Anderson Purchase Order Number and/or Contractor Invoice Number is required):
 - 5.1.A E-Mail (questions only): mdaccAPIquiry@mdanderson.org
 - 5.1.B Telephone: 713-745-9439
 - 5.1.C Vendor Self Service (VSS) System: VSS is a secure, web-based system that allows Contractors to view detailed information regarding invoice status and MD Anderson payments online. To register for this service, visit <http://mdanderson.org/suppliers> or call 713-745-7997.
- 5.2 **Reconciliation of Payment:** MD Anderson notifies Contractor that invoices have been paid by payment stub for standard check payments and e-mail for ACH payments.

Section 6. MATERIALS MANAGEMENT

- 6.1 **Freight:** MD Anderson does not accept Collect On Demand (COD) shipping.
- 6.2 **Deliveries:** All deliveries must reference a valid MD Anderson Purchase Order Number or risk being turned away. Contractor will deliver all purchases to the delivery location as stated in the Purchase Order or as otherwise directed by MD Anderson in writing.

Section 7. GOVERNING LAWS

- 7.1 **W-9:** MD Anderson requires Contractor to have a valid W-9 on file with MD Anderson prior to all disbursements.
- 7.2 **Prompt Payment Act:** All funds held by MD Anderson are subject to the Texas Prompt Payment Act, Chapter 2251, *Texas Government Code*. Chapter 2251 of the *Texas Government Code* governs (i) when a payment by MD Anderson is overdue, and (ii) the rate of interest that accrues on such overdue payments.