

UNIVERSITY of HOUSTON  
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

**SECTION: Procurement**  
**AREA: Procurement - General**

**Number: 04.01.10**

<b>SUBJECT: Prompt Payment and Payment Scheduling</b>
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I. PURPOSE AND SCOPE

This document applies to all payments processed through the University of Houston Accounts Payable Department.

II. POLICY STATEMENT

In accordance with Texas Government Code, Chapters 2155 and 2251 (prompt payment law), interest will be automatically calculated and paid to vendors of qualifying goods and services who receive late payments from the University of Houston that become overdue on or after September 1, 1999. In addition, payments for state fund vouchers over \$5,000.00 will be scheduled on or just prior to the Net Due Date.

Effective September 1, 2001, interest calculated at \$5.00 or less on local fund payments will not be paid to the vendor (HB1545, 77<sup>th</sup> Texas Legislature). Any interest paid will be charged to the same departmental cost center as the late payment. However, interest will not be paid on vouchers containing fund 5 cost centers (sponsored contracts and grants), since these funds do not permit late interest charges. Interest charged to any other cost center that does not permit this expense will be reallocated by the department to another source of funds that may support the interest expense.

III. DEFINITIONS

- A. Bona fide dispute: Difference of opinion held in good faith between a vendor and the university.
  
- B. Check cycle: The days on which checks or warrants are printed. The UH System Treasurer's Office currently prints local, non-payroll checks for the UH campus on Monday, Wednesday and Friday mornings. Local, non-payroll checks for the UH System component universities are printed on Tuesday and Thursday mornings. The Comptroller of Public Accounts currently prints state, non-payroll warrants each business morning.

- C. Disputed payment: Includes, but is not limited to, an invoice presented for payment (1) which is not in compliance with the invoicing standards in this document, (2) which is for non-conforming goods and services under the related purchase order or contract, or (3) which is not presented in the time frame authorized by the related purchase order or contract.
- D. Distribution date: The date that a payment is mailed (postmarked) or sent via electronic funds transfer to a vendor.
- E. PeopleSoft: The financial system, which all component universities at the UH System use to create state and local fund vouchers and PO vouchers. All local fund payments are processed through PeopleSoft.
- F. Late Payment Charge: Field in the Schedule Payment panel of the Voucher panel group that indicates whether the payee may be paid late payment interest. “C” means compute late charges, if late, and “N” means do not compute late charges.
- H. Invoice: A document presented by a vendor for payment, which includes information necessary for payment processing, as described by this document.
- I. Late payment: A payment that is distributed to a vendor after the Net Due Date.
- J. Notice of Incorrect/Incomplete Invoice Received: Form used to notify a vendor that an invoice is incorrect or incomplete and needs to be revised and re-submitted to the university.
- K. Notice of Invoicing Standards (NIS): List of UH invoicing standards available on UH website.
- L. Notice of Non-compliant Delivery of Goods/Services: Form used to notify a vendor that the delivery of goods or services received is not in compliance with the terms of the purchase order or contract.
- M. Net Due Date: The calculated due date based on the payment terms for the vendor/payee and certain dates entered in the voucher. For vendors with terms of Net 30, 30 calendar days after the later of (1) the date an invoice is received (Invoice Receipt Date), (2) the date goods are received (Goods Receipt Date), and (3) the date services are completed (Goods Receipt Date). An invoice must meet the standards defined by this document and the purchase order or contract to be considered “received.” Goods and/or services must meet the standards defined by the purchase order or contract to be considered “received” or “rendered.”

- N. Prompt payment law: Texas Government Code, Chapter 2251, which requires all State of Texas agencies, including institutions of higher education, to pay vendors interest at the rate specified by the Comptroller's Office on late payments that become overdue on or after September 1, 1999. Effective, September 1, 2001, HB1545 (77<sup>th</sup> Legislature) modified the prompt payment law to prohibit interest payments of \$5.00 or less when local, institutional funds are used.
- O. Payment Reason Code: A code that indicates the reason for refusing or forcing an interest payment. A payment reason code must be selected any time the late payment charge is changed on the Scheduled Payment panel. If a payment reason code is selected, the late payment charge must be changed to match the first letter of the payment reason code, "N" or "C."
- P. Scheduled Due Date: The date a voucher is scheduled for payment.
- Q. Uniform Statewide Accounting System (USAS): The state's official accounting system used by all state agencies to record and report financial transactions to the State Comptroller's Office. All state fund vouchers processed by UH are created in PeopleSoft and transferred to USAS for final processing.

#### IV. INVOICING STANDARDS

- A. The University of Houston has adopted the following invoicing standards, with which vendors must comply when submitting an invoice to the university:
  - 1. Invoices must be mailed, faxed or e-mailed by the vendor to the address indicated on the university's purchase order, contract or other university document provided to the vendor.
  - 2. Invoices must include the following information:
    - a. Vendor's mailing (remit to) address for payment.
    - b. Vendor's mailing address for correspondence.
    - c. Vendor's phone number, fax number and/or e-mail address of representative who can answer questions regarding the invoice.
    - d. University's purchase order, contract or other document number.
    - e. Name and mailing (ship to) address of the university department that received the goods or services, as indicated on the purchase order or contract.

- f. Vendor's federal employer identification (FEI) number, Social Security number or Taxpayer Identification Number (TIN) issued by the Comptroller of Public Accounts.
  - g. Description of the goods delivered or services rendered in sufficient detail to identify them as the same goods/services in the purchase order or contract.
  - h. Information identifying and supporting a successor organization to the original vendor, if necessary, with sufficient information to make payment to the successor organization.
3. Invoices should not include the following:
- a. Payment terms that are different than those specified in the purchase order or contract.
  - b. Goods that have not been delivered to the university or services that have not been completed, unless the purchase order or contract contains a provision for advanced payment.
  - c. Unit prices or quantities or total price or quantity that exceed those indicated in the purchase order or contract.
  - d. Charges for goods, services or shipping that were not included on the purchase order or contract.
  - e. Taxes or fees from which the university is exempt as a non-profit, Texas institution of higher education.
  - f. Charges for late payment interest. Vendors must request in writing payment for interest believed to be owed them but not yet paid by the university at the time of a suspected late payment.

**B. Vendor Notification**

The University of Houston will notify vendors of its invoicing standards as follows:

- 1. Purchasing will submit the NIS (Addendum A) to the vendor at the same time as the purchase order or include a statement on the PO that notifies the vendor of the standards on the UH website.

2. Departments should submit the NIS to contractors and other vendors or notify them of the standards on the UH website at the time a contract is written or an order is placed, if appropriate. The NIS is not intended for out-of-pocket purchases.

## V. INVOICE HANDLING

Invoices received by the university will be handled as follows:

- A. The date an invoice is received by the university will be stamped or otherwise noted on the invoice. This date is considered the Invoice Receipt Date. If more than one stamped or written date appears on the invoice, the earliest date will be considered the Invoice Receipt Date. If a received date is not stamped or written on the invoice, the invoice date will be considered the Invoice Receipt Date.
- B. Invoices received by a department, including Accounts Payable, that should be re-routed to another department will be re-routed within one business day of receipt, provided sufficient information exists on the invoice to identify the correct recipient.
- C. Invoices will be reviewed to determine if they meet the standards in Section IV above.
  1. Invoices that meet the university's standards will be processed for payment before the Net Due Date and within the time frame indicated in Section IX below.
  2. For invoices that do not meet the university's standards, the department that reviews the invoice will take one of the following actions:
    - a. If the items missing from the invoice are not required to make the payment (e.g., vendor's phone number), use the invoice to process a payment before the Net Due Date.
    - b. Return the invoice to the vendor for correction and re-submission by mail or fax immediately and no later than 21 calendar days after the Invoice Receipt Date.
    - c. Partially pay the invoice to the extent it is correct, and notify the vendor of the error by mail or fax immediately and no later than 21 calendar days after the Invoice Receipt Date.

- d. Pay the invoice in full and seek a credit from the vendor by mail or fax immediately and no later than 21 calendar days after the Invoice Receipt Date. This option may only be used by those departments that have an on-going business relationship with a vendor.
  3. The Notice of Incorrect or Incomplete Invoice Received (Addendum B) may be used to document invoices that do not comply with the university's invoicing standards. In addition, the Notice of Non-compliant Delivery of Goods or Services (Addendum C) may be used when a revised invoice is required due to a problem delivery.
- D. Failure to notify a vendor of an incorrect invoice within 21 calendar days of receipt obligates the university to use the original invoice to process the payment. While the incorrect amount should not be paid, the university forfeits its right to request a revised invoice and must use the original Invoice Receipt Date.
- E. When no invoice is received by the university, the delivery date may be used as the Invoice Receipt Date. Alternatively, if a purchase order or contract is involved, the date the purchase order or contract was approved by the university may be used as the Invoice Receipt Date when no invoice is provided. However, as explained in Section VIII below, not receiving an invoice qualifies as an exception to paying late payment interest.

## VI. DELIVERY OF GOODS AND SERVICES

### A. Goods Receipt Date

The date goods are received or services are completed, known as the Goods Receipt Date, must be documented by the department that receives the goods or services. For instance, the packing slip can be date stamped, the Goods Receipt Date can be entered in a delivery log, or some other form of documentation may be used. It is not necessary to attach documentation of the Goods Receipt Date to the voucher. However, documentation of the Goods Receipt Date must be maintained by the department that received the goods or services for the period of time it retains a copy of the voucher.

### B. Inspection of Delivered Items

If the purchase order or contract allows additional time for inspection, the Goods Receipt Date will be the date that the inspection period ends or the date that the department determines the order is correct and complete, whichever comes first. Otherwise, the Goods Receipt Date will be the date goods are actually received or services are actually completed.

C. Returns to Vendor

All items received that do not meet the requirements of the order or contract must be immediately returned to the vendor, along with a Notice of Non-compliant Delivery of Goods or Services Form, letter or other documentation of the return. All related conversations with the vendor must be documented, as well, and maintained with the department's copy of the voucher.

VII. PAYMENT SCHEDULING

A. Calculation of Net Due Date

Unless otherwise indicated in the purchase order or contract, payment is due 30 days after the later of:

1. The date a correct invoice is received, in accordance with the university's invoicing standards, provided an incorrect invoice is returned to the vendor within 21 calendar days of receipt.
2. The date goods are received, in accordance with the purchase order or contract.
3. The date services are completed, in accordance with the purchase order or contract.

B. Exceptions to Payment Scheduling

Payments are scheduled on or just prior to the Net Due Date, except in the following circumstances, which allow payment before the Net Due Date on the Scheduled Due Date:

1. A price discount for early payment is offered by the vendor. A copy of the invoice or other documentation of discount offered must be attached to the voucher.
2. Early payment is required by the terms or nature of the purchase order, contract or other agreement with the vendor. Examples of transactions that require early payment by their nature include registration, membership, subscription, and lease payments, which must be paid before the event or period of service ends. An invoice alone requesting early payment does not obligate or authorize the university to make a payment before the Net Due Date. A copy of the contract or other agreement that indicates early payment is required must be attached to the purchase voucher.

3. A payment to a UH student (terms equal “due immediately” in PeopleSoft).
4. A payment to a UH employee (terms equal “due immediately” in PeopleSoft).
5. A transaction or transfer between UH departments, auxiliaries, service centers or components (terms equal “due immediately” in PeopleSoft).
6. An early payment that is necessary to avoid interruption of the normal operations of the university (e.g., utilities, telephone, etc.).
7. A payment to a local, state or federal agency that must be paid early by law or to avoid penalty for paying beyond the agency’s due date (e.g., Internal Revenue Service, State Comptroller’s Office, State Attorney General’s Office, etc.).
8. A payment that does not involve goods or services as defined by Texas Government Code and is not subject to payment scheduling (e.g., Optometry Clinic refunds to customers, stipends, etc.).
9. Early payment to avoid vendor hardship (e.g., vendor cannot pay its employees if UH does not pay immediately) or to maintain a favorable business relationship with the vendor.
10. Payments on local funds.
11. Payments on state funds where the voucher total is \$5,000.00 or less.

**C. Scheduled Due Date**

If a vendor/payee should be paid before the Net Due Date, the Scheduled Due Date may be changed to an earlier date. No explanation is required on the voucher. However, the department that creates the voucher should be prepared to provide an explanation for the early payment if asked.

## VIII. LATE PAYMENT INTEREST

### A. Calculation of Interest

Payments made past the Net Due Date generate automatic interest charges at the rate specified by the Comptroller's Office. Interest stops accruing on the date the payment is mailed or sent via electronic funds transfer to the vendor, which is the Distribution Date. The following formula is used to calculate the interest due based on an annual interest rate of 5%:

$$([\text{Distribution Date} - \text{Net Due Date}] / 365) \times (.05) \times (\$ \text{ principal payment amount net of credit memos or reversals}) = \$ \text{ interest due}$$

If the interest calculated is \$5.00 or less and local funds are used, interest will not be paid. It is not necessary to select a payment reason code or change the late payment charge for these transactions because the refusal to pay interest of \$5.00 or less on local funds is automated in PeopleSoft.

Also, interest will not be paid on vouchers containing one or more fund 5 cost centers, since these cost centers do not permit late payment interest. It is not necessary to select a payment reason code or change the late payment charge for these transactions because the refusal of interest is automated in PeopleSoft.

### B. Documentation and Account

A separate voucher, which begins with an "I," will be automatically created by USAS when a late payment is made with state funds. A separate voucher will not be created when interest is paid on local funds. However, the amount of the local interest payment can be seen on the Schedule Payment panel of the Voucher panel group. Interest will be charged to the same departmental cost center as the late payment under account 54705. The interest voucher indicates the original voucher number in the Invoice field on the Line Information and Charges panel.

### C. Reallocation of Interest

Interest paid on cost centers that do not allow this expense will be re-allocated to another departmental cost center by the department that incurred the expense. Late payment interest may not be transferred out of account 54705.

D. Interest Refunded by a Vendor

Interest refunded to the university by a vendor will be deposited into the same cost center/account that incurred the expense. If the interest expense had been re-allocated to another cost center, the refunded amount will be deposited into the cost center that received the re-allocated expense.

E. Transactions Subject to Late Payment Interest

All payments for goods or services made past the Net Due Date are subject to late payment interest unless indicated as exempt in Section F below.

F. Transactions Exempt from Late Payment Interest

1. Payments to UH employees (controlled through the PeopleSoft vendor file).
2. Payments to UH students (controlled through the PeopleSoft vendor file).
3. Transfers or transactions between UH departments, auxiliaries, service centers or components (controlled through the PeopleSoft vendor file).
4. Payments to other State of Texas agencies (except Texas Correctional Industries) and institutions of higher education (controlled through the PeopleSoft vendor file).
5. Transactions involving a bona fide dispute between UH and a vendor, contractor, subcontractor or supplier about the invoice or the goods delivered or services performed that causes the payment to be late. Also, a bona fide dispute between a vendor and a subcontractor or its supplier about the goods delivered or services performed that causes the payment to be late. The vendor must have been notified of the dispute within 21 days of invoice receipt or delivery.
6. When the terms of a federal contract, grant, regulation or statute prevent UH from making a timely payment with federal funds.
7. The invoice is not mailed to the correct address in strict accordance with instructions on the purchase order, contract or other document provided by the university.
8. When an invoice is not provided by the vendor to the university.

9. Late payments due to an incorrect or incomplete invoice that is properly returned to the vendor for correction but never corrected and re-submitted to the university.
10. The Texas Building and Procurement Commission (formerly the General Services Commission) has granted an exception to late payment interest for a specific transaction or vendor.
11. Payment to vendors who are “on hold” with the State Comptroller’s Office at the time a warrant is printed(automated in USAS). This is not automated in PeopleSoft. Therefore, the voucher creator should refuse interest on the voucher by selecting a Payment Reason Code of “N-AD” and Late Payment Charge of “N.”
12. Payments for consulting services, professional services and electric utility service. These transactions are specifically excluded from the definition of “services” (subject to prompt payment) in Texas Government Code, Section 2155.001.
13. State payments that generate less than \$0.005 in interest (automated in USAS) and local payments that generate \$5.00 or less in interest (automated in PeopleSoft).
14. Payment on agency funds. This is not automated in PeopleSoft. Therefore, the voucher creator should refuse interest on the voucher by selecting a Payment Reason Code of “N-AD” and Late Payment Charge of “N.”
15. Payments from vouchers with one or more fund 5 cost centers, since fund 5 cost centers do not permit late payment interest.

**G. Late Payment Charge and Payment Reason Code**

The default setting for vendors/payees in PeopleSoft is to pay late interest charges when a late payment is made. However, the setting is changed in the vendor file for certain vendors/payees to not pay late charges. Therefore, when one of these vendors is paid, the Late Payment Charge on the voucher should automatically be set to “N” (not applicable). For all other vendors, the default Late Payment Charge will be “C” (compute late charges).

1. If the Late Payment Charge is changed from “N” to “C” (to force interest payment, if late), one of the following Payment Reason Codes must be selected on the Schedule Payment panel:

C-AI: Used when PeopleSoft or USAS would incorrectly consider a transaction to be exempt from late charges due to a system limitation.

C-DT: Direct payment of travel expenses to outside vendors which would be subject to late payment interest. Travel object codes in USAS (accounts) are pre-set as not subject to late payment interest because they are primarily used to reimburse employees for out-of-pocket travel expenses.

2. If the Late Payment Charge is changed from “C” to “N” (to refuse interest payment, if late), one of the following Payment Reason Codes must be selected on the Schedule Payment panel:

N-NI: No invoice received. Though no invoice was received, the basis for the payment must be provided with the voucher.

N-FC: Federal contract or terms prohibit a timely payment and federal funds are used. This Payment Reason Code is automatically selected on all vouchers with one or more fund 5 cost centers.

N-MI: Mailing instructions for the invoice on the purchase order, contract or other instructions provided by the university were not followed.

N-DP: Disputed payment, including disputes over invoices and/or goods or services received. The vendor must have been notified of the dispute within 21 days of invoice receipt or delivery.

N-GE: Texas Building and Procurement Commission (formerly the General Services Commission) exception granted for a specific transaction.

N-AI: Automation issue. Used when PeopleSoft or USAS misclassifies a transaction as subject to or not subject to late payment interest due to system constraints. For instance, USAS object codes for consultants and professional services are pre-set to pay interest on late payments, though they are exempt from the prompt payment law by the definition of “services” in Texas Government Code, Section 2155.001.

N-AD: Agency discretion exercised. May be used to refuse interest on payments to students, other Texas agencies or universities, and payments between university departments, auxiliaries, service centers and other component universities, if the default Late Payment Charge is not already set at "N." (Notify Accounts Payable to change the default in the vendor file.) Also used to refuse interest on payments involving agency funds (9XXX) or local fund payments to vendors on hold.

N-AP: Advance payment on a transaction, which is paid before delivery of goods or completion of services.

N-ER: Employee reimbursement. May be used to refuse interest on reimbursements to employees if the default Late Payment Charge is not already set to "N." (Notify Accounts Payable to change the default in the vendor file.)

## IX. PAYMENT PROCESSING

### A. Documentation of Payment Processing

1. The following information related to prompt payment is required on all vouchers and purchaser order (PO) vouchers entered in PeopleSoft:
  - a. Goods Receipt Date for the transaction. The Goods Receipt Date is always the date goods are received or services are completed. Documentation of the Goods Receipt Date must be maintained by the department as long as the department maintains a copy of the voucher. The Acceptance Date must be entered to match the Goods Receipt Date.
  - b. Invoice Receipt Date. The Invoice Receipt Date must be stamped or otherwise indicated on the face of the invoice. If the Invoice Receipt Date is not documented on the invoice, the Invoice Date will be used as the Invoice Receipt Date.
2. The following information is required on all receivers submitted to Accounts Payable:
  - a. The quantity of items received for each line on the purchase order.
  - b. The Goods Receipt Date of the items received.

- c. Returned or disputed items will be noted on the receiver or on an attachment to the receiver.
- d. Each receiver line with delivery information will be signed by someone in the department who is knowledgeable about that delivery.

**B. Deadlines for Submission of Documents to Accounts Payable**

1. Receivers must be submitted to Accounts Payable no later than 10 business days after the Goods Receipt Date. (Likewise, receiving information entered online in PeopleSoft must be entered by the receiving department within 10 business days of the Goods Receipt Date.) A separate receiver should be submitted for each shipment received, since each will have its own Goods Receipt Date and 30-day payment cycle. However, if the purchase order indicates that partial shipments are not permitted, the Goods Receipt Date will be the date the final shipment is received; the receiver should be submitted at that time.
2. Vouchers and PO vouchers that must be approved by Accounts Payable must be submitted to Accounts Payable no later than 10 business days before the Net Due Date.
3. Vouchers and PO vouchers that have been approved in PeopleSoft by the college/division (i.e., do not required Accounts Payable's approval) must be submitted to Accounts Payable within one business day after they are approved.

X. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President for Finance

Review: Every three years, on or before July 15

XI. APPROVAL

John Rudley  
Vice President for Administration and Finance

Jay Gogue  
President

Date of President's Approval: July 28, 2005

Effective Date: August 31, 2005

XII. REFERENCES

Texas Government Code, Chapters 2155 and 2251

Index Terms: Bona fide dispute  
Check cycle  
Disputed payment  
Distribution date  
Interest control flag  
Interest Control Flag and Reason Code Form  
Invoice  
Late payment  
Notice of Incorrect/Incomplete Invoice Received  
Notice of Invoicing Standards  
Notice of Non-compliant Delivery of Goods/Services  
Net Due Date  
PeopleSoft  
Prompt payment  
Prompt payment law  
Reason code  
Requested payment date  
Requested Payment Date Form

## Addendum A

### Notice of Invoicing Standards from the University of Houston

In accordance with Texas Government Code, Chapter 2251 (prompt payment law), and related rules issued by the Texas Building and Procurement Commission (formerly the General Services Commission), the University of Houston has established the invoicing standards listed below. All invoicing standards must be followed or the invoice will be returned to the vendor for correction immediately and no later than 21 calendar days after it was received.

1. Invoices must be mailed, faxed, or e-mailed by the vendor to the address indicated on the university's purchase order, contract, or other university document provided to the vendor.
2. Invoices must include the following information:
  - a. Vendor's mailing (remit to) address for payment.
  - b. Vendor's mailing address for correspondence.
  - c. Vendor's phone number, fax number, and/or email address of representative who can answer questions regarding the invoice.
  - d. University's purchase order, contract, or other document number.
  - e. Name and mailing (ship to) address of the university department that received the goods or services, as indicated on the purchase order or contract.
  - f. Vendor's federal employer identification (FEI) number, SSN, or TIN issued by the Comptroller of Public Accounts.
  - g. Description of the goods delivered or services rendered, in sufficient detail to identify them as the same goods/services in the purchase order or contract.
  - h. Information identifying and supporting a successor organization to the original vendor, if necessary, with sufficient information to make payment to the successor organization.
3. Invoices should not include the following:
  - a. Payment terms that are different than those specified in the purchase order or contract.
  - b. Goods that have not been delivered to the university or services that have not been completed, unless the purchase order or contract contains a provision for advanced payment.

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- c. Unit prices or quantities or total price or quantity that exceed those indicated in the purchase order or contract.
  - d. Charges for goods, services, or shipping that were not included on the purchase order or contract.
  - e. Taxes or fees from which the university is exempt as a non-profit, Texas institution of higher education.
  - f. Charges for late payment interest. Vendors must follow a separate procedure to request payment for interest that is believed to be owed, but not paid, by the university at the time of a suspected late payment.
4. Unless otherwise indicated in the purchase order or contract, payment is due 30 days after the later of:
- a. The date a complete and correct invoice is received, in accordance with the standards above.
  - b. The date goods are received, in accordance with the purchase order or contract.
  - c. The date services are completed, in accordance with the purchase order or contract.

Vendor name: \_\_\_\_\_ Vendor fax number: \_\_\_\_\_

PO, contract, or other number: \_\_\_\_\_

Notified by (print): \_\_\_\_\_ Date notified: \_\_\_\_\_

Vendors who have questions about the University of Houston’s invoicing standards should call Accounts Payable at 713-743-8700.

10/15/01

**Addendum B**

**Notice of Incorrect or Incomplete Invoice Received by the University of Houston**

In accordance with Texas Government Code, Chapter 2251 (prompt payment law), and related rules issued by the Texas Building and Procurement Commission (formerly the General Services Commission), the University of Houston established the invoicing standards listed below. The attached (or faxed) invoice does not comply with the standards checked. Please correct the invoice and re-submit it to the University of Houston for payment as soon as possible.

Name of vendor: \_\_\_\_\_ Invoice number: \_\_\_\_\_

Date invoice was received: \_\_\_\_\_ Invoice amount: \_\_\_\_\_

Date invoice was returned: \_\_\_\_\_ UH document number: \_\_\_\_\_

\_\_\_\_\_ Invoices must be mailed, faxed, or e-mailed by the vendor to the address indicated on the university's purchase order, contract, or other university document provided to the vendor. The correct address is:

\_\_\_\_\_

Invoices must include the following information:

\_\_\_\_\_ Vendor's mailing (remit to) address for payment.

\_\_\_\_\_ Vendor's mailing address for correspondence.

\_\_\_\_\_ Vendor's phone number, fax number, and/or email address of representative who can answer questions regarding the invoice.

\_\_\_\_\_ University's purchase order, contract, or other document number.

\_\_\_\_\_ Name and mailing (ship to) address of the university department that received the goods or services, as indicated on the purchase order or contract.

\_\_\_\_\_ Vendor's Texas identification number (TIN) issued by the Comptroller of Public Accounts.

\_\_\_\_\_ Description of the goods delivered or services rendered, in sufficient detail to identify them as the same goods/services in the purchase order or contract.

\_\_\_\_\_ Information identifying and supporting a successor organization to the original vendor, if necessary, with sufficient information to make payment to the successor organization.

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Invoices may not include the following:

- \_\_\_\_\_ Payment terms that are different than those specified in the purchase order or contract.
- \_\_\_\_\_ Goods that have not been delivered to the university or services that have not been completed, unless the purchase order, contract, or other university document contains a provision for advanced payment.
- \_\_\_\_\_ Unit prices or quantities or total price or quantity that exceed those indicated in the purchase order or contract.
- \_\_\_\_\_ Charges for goods, services, or shipping that were not included on the purchase order or contract.
- \_\_\_\_\_ Taxes or fees from which the university is exempt as a non-profit, Texas institution of higher education.
- \_\_\_\_\_ Charges for late payment interest. Vendors must follow a separate procedure to request payment for interest that is believed to be owed but not paid by the university at the time of a suspected late payment.

The University of Houston requests that the vendor take the action(s) indicated below:

- \_\_\_\_\_ Submit a revised invoice to the university in accordance with the university’s invoicing standards.
- \_\_\_\_\_ Credit the appropriate university account for items invoiced in error, so that they do not appear on future billing statements. The university will partial pay the invoice, excluding those items that were invoiced in error.
- \_\_\_\_\_ Issue a credit memo to the university for the amount overcharged. The university will pay the current invoice in full and apply the credit to the next vendor payment.

Remarks: \_\_\_\_\_

This request was submitted by the following person at the University of Houston:

Name: \_\_\_\_\_ Department: \_\_\_\_\_  
 Phone/Fax: \_\_\_\_\_ College/Division: \_\_\_\_\_

10/15/01

**Addendum C**

**Notice of Non-compliant Delivery of Goods or Services  
to the University of Houston**

The following delivery of goods or services to the University of Houston was not in compliance with the terms of the purchase order, contract, or other agreement between the vendor and the university. The items below are being returned to the vendor or are in dispute for one of the following reasons: (1) damaged during shipment, (2) found to be non-functioning upon inspection, (3) of a different type or specification than ordered, (4) in excess of the quantity or volume ordered, (5) do not include all items ordered, (6) mailed to the incorrect address, (7) the order or contract was cancelled or amended to exclude the items delivered, or (8) for another reason indicated in the Remarks section.

Vendor name: \_\_\_\_\_ Vendor phone/fax: \_\_\_\_\_

Vendor address: \_\_\_\_\_

UH document number: \_\_\_\_\_ Date of delivery: \_\_\_\_\_

Invoice number (if known): \_\_\_\_\_ Date items returned: \_\_\_\_\_

Items returned or in dispute:

Quantity	Description	Reason Returned or In Dispute
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Remarks: \_\_\_\_\_  
\_\_\_\_\_

**Addendum C (Page 2 of 2)**

The University of Houston requests that the vendor take the action(s) indicated below:

\_\_\_\_\_ Provide a RMI number for return shipping:\_\_\_\_\_. Fax to the UH contact below.

\_\_\_\_\_ Deliver replacements for damaged, non-functioning, or incorrect items returned to the vendor.

\_\_\_\_\_ Deliver returned items to the correct address, as indicated on the university purchase order, contract, or other order form.

\_\_\_\_\_ Issue a revised invoice that omits charges for items returned to the vendor due to an excess quantity or volume shipment. Do not deliver replacement items.

\_\_\_\_\_ Issue a revised invoice that omits charges for items returned to the vendor due to an amended or cancelled purchase order or contract. An amendment to the purchase order or contract has been requested.

\_\_\_\_\_ Issue a credit memo to the university department for items returned to the vendor, which will be applied to a future invoice. (Only available to departments that have an ongoing business relationship with a vendor.)

This notice was sent to the vendor by the following person at the university on (date):\_\_\_\_\_

Name:\_\_\_\_\_

Department:\_\_\_\_\_

Phone/Fax:\_\_\_\_\_

College/Division:\_\_\_\_\_

09/01/99