

Cognizant Payment System

Cognizant supplier payment terms are established by Cognizant's *Global Procurement team* when adding a new supplier to the Cognizant Approved Supplier Database. The Payment Terms in the database dictate when payments to suppliers will be made. Generally, Cognizant employs a "Net 60" payment term, meaning that the payment will be issued 60 days from the date that the suppliers invoice is received at the Accounts Payable address. Purchase orders sent to the supplier reflect these terms and conditions and they apply to all invoices received by Cognizant. Payment terms other than "Net 60" can only be negotiated by the *Global Procurement team*.

The Payment Process

Within Cognizant's CAPPS system (ARIBA & Catalyst), payment terms are established for each supplier. Invoices processed by Accounts Payable will reflect those terms and the payment due date will automatically be calculated by the system if the invoice matches to the order placed. Accounts Payable does not designate a payment date as this is entirely system driven. For example, a supplier invoice dated July 1, 2014 is received by Accounts Payable on July 9 and is entered into CAPPS/Catalyst system on July 10. If the payment terms are "Net 30," the system will automatically calculate a payment due date of August 8, 2014 for all accepted and undisputed transactions. Otherwise the invoice will be rejected and parked for clarification and the due date for payment will start from the date of invoice rectified, or from the date of receipt of a revised and acceptable invoice by Accounts Payable.

All supplier invoices are to be sent electronically for EDI (Electronic Data Interchange) enabled suppliers and physical invoices (for both EDI enabled and non-EDI enabled) to Cognizant's Accounts Payable department. All invoices are then image-enabled and are automatically matched to the purchase order; in this way, encumbrances can be automatically relieved. Invoices are available in the CAPPS/Catalyst system to the requisitioner, and/or the procurement buyer, and suppliers can view their status, process or reconcile in case of any disputes. If the invoice cannot be matched within tolerance to the purchase order and processed, the requisitioner or purchaser will be contacted via an email by the Global Vendor/AP Help Desk (email to be provided). They can then view the invoice, (again by logging into CAPPS/Catalyst) and instruct Accounts Payable or post an action regarding the invoice. There is a separate workflow designed for processing such unmatched or disputed invoices. Processing is enabled via the Global Vendor/AP Help Desk, which uses a workflow action to route and queue the invoice for appropriate processing.

About the new New Payment System CAPPS/Catalyst

In September 2014, the Cognizant Global Procurement team implemented a new ePayables/Payment electronic settlement system that further streamlines and automates Cognizant's supplier invoice payment process. It transitioned processing from traditional physical invoice scanning to image enabled, which supports automatic matching to the purchase order.

In addition to benefiting the company, the new payment system (CAPPS/Catalyst) also makes the Cognizant business relationship more effective for our suppliers by providing them access to this new payment system. It sets up their accounts in the system and allows them to view the status of their invoices in India and the U.S. It also enables them to upload invoices for processing in the U.S., thereby creating a more favorable business climate for both Cognizant and its suppliers.

Supplier Advance Payments

Generally, Cognizant issues payments upon completion of the service or delivery of the product. Requests by suppliers for advance payment can only be approved by the Global Procurement team which will ensure that the advance terms are beneficial to the company and that proper controls have been established to protect the company's business interests.

In the case of advance payment such as a P.O., a Proforma invoice should be raised, not a regular Tax invoice. Afterwards, it should be regularized through a proper Tax invoice after full completion of the product supply or service.

Process Performance

Process exceptions and rework in the supplier payment process increase administrative costs and negatively impact supplier relations. The ability of the Procurement team to negotiate most favorable pricing terms with potential contract suppliers can also be disrupted. Payment performance metrics have been created to track process efficiency, administrative rework, and exceptions by Cognizant users such as requestors, internal stakeholders and departments.

In order to ensure timely payment of supplier invoices, Cognizant purchase requisitioners, users and/or procurement buyers are not permitted to:

1. Place an order with an external supplier for products or services without the prior issuance of an official company purchase order.
2. Use an unapproved purchase order number to verbally place an order with an external supplier.
3. Instruct a supplier to ship a product to a location other than the designated delivery location listed on the official company purchase order.
4. Instruct a supplier to send an invoice or invoices to a person or location other than the Cognizant's Accounts Payable department.
5. Delay payment of a supplier invoice by not responding to an alert of a disputed invoice where it is on hold due to mismatch with the order placed.

Payment Questions

Please direct all questions related to the purchase order supplier invoice payment process to the [Global Vendor/Accounts Payable Help Desk](#)



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