

Purchase Order Supplier Payment Terms

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*.

Supplier Responsibilities

In accordance with the agreed-upon Purchase Order Terms and Conditions, all Cognizant approved suppliers are required to:

1. Not accept any order for products and services without prior receipt of an official Cognizant purchase order.
2. Provide timely invoicing for all purchases of products and services.
3. Ensure that the invoice submitted to Cognizant clearly references the purchase order/contract number along with an invoice number, invoice date, Legal entity name and correct Bill To and Ship To information.
4. Mail all purchase order/contract invoices (the physical original invoices) directly to Cognizant's Accounts Payable department as mentioned in the purchase order.

System 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 the 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.

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 who 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 case of advance payment as per a P.O., a Proforma invoice should be raised and not a regular Tax invoice. This should be subsequently regularized thru a proper Tax invoice after completely executing the product supply /service completion.

Payment Questions

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



Cognizant

World Headquarters

500 Frank W. Burr Blvd.
Teaneck, NJ 07666 USA
Phone: +1 201 801 0233
Fax: +1 201 801 0243
Toll Free: +1 888 937 3277

European Headquarters

1 Kingdom Street
Paddington Central
London W2 6BD
Phone: +44 (0) 20 7297 7600
Fax: +44 (0) 20 7121 0102

India Operations Headquarters

#5/535, Old Mahabalipuram Road
Okkiyam Pettai, Thoraipakkam
Chennai, 600 096 India
Phone: +91 (0) 44 4209 6000
Fax: +91 (0) 44 4209 6060