Payment Terms

Princeton University’s standard payment terms will be Net 45 days (no discount, paper check) from the date the invoice is received in Accounts Payable.

Suppliers will have the option to select one of the following accelerated payment methods:

- Immediate Payment via ePayables: Suppliers receive a unique credit card number which they use to settle approved invoices. Payment terms are “Net Receipt” which means the full amount is paid upon receipt and approval.
- Expedited Payment via Electronic Funds Transfer (EFT): Suppliers receive electronic funds transfers triggered from the date of invoice receipt. Suppliers may choose from the following terms:
  - 4% / 3 days, Net 15 (4% discount if paid within 3 days, otherwise paid within 15 days)
  - 3% / 5 days, Net 20 (3% discount if paid within 5 days, otherwise paid within 20 days)
  - 2% / 10 days, Net 30 (2% discount if paid within 10 days, otherwise paid within 30 days)
  - 1% / 20 days, Net 30 (1% discount if paid within 20 days, otherwise paid within 30 days)
  - 0% Net 30 (0% discount if paid electronically within 30 days of receipt)
- Standard Payment via Paper Checks: Net 45 Days

FAQs

Why would I want to change to electronic payment?

- Payments made by check are costly, risky, and uncertain.
- Electronic payment methods provide multiple layers of security which translates to less risk for both Princeton University and the supplier.
- Electronic payment options allow Princeton University to streamline the receivables and payables process.
- Electronic payments enable suppliers to receive their payments faster than checks.
- Electronic payments are more cost efficient for both Princeton University and our suppliers.

What does Net 45 mean?

- Payment will be made 45 days after the date the invoice is received in Accounts Payable.

What date is used for the basis of the payment due date calculation?

- The payment date is calculated from the date the invoice is received by accounts payable, not the date listed on the invoice. Suppliers should send purchase order invoices directly to accounts payable, rather than to the ordering department, to expedite the payment process.
Why is Princeton University changing its payment terms?
- Princeton University recently compared its supplier payment practices to industry and higher education standards and noticed that it had not been receiving equitable consideration for payments made earlier than 45 days.

What is an accelerated payment?
- This means that Princeton University will deduct a percentage of the total invoice amount if payment is made earlier than the Net terms. For example, if a supplier selects 2% 10 Days, Net 30 as a payment option, Princeton University will either pay the invoice 30 days after receipt of the invoice (Net 30), or pay the invoice 10 days after receipt of the invoice and deduct 2% of the invoice amount.

What if my company has a contract or an open purchase order with Princeton University with different payment terms?
- Princeton University will honor its past contractual commitments. Invoices against new purchase orders or contracts issued after November 1, 2013 will be paid per the new payment term program. Products or services delivered to Princeton University without a purchase order or contract will be subject to payment under the University’s new payment term program. Invoices must reference an authorized Princeton University purchase order number in order to guarantee timely and proper payment.

How do I know that Princeton University will honor its payment term commitments?
- Princeton University will make every effort to pay an invoice within agreed upon contract terms. Suppliers interested in receiving timely electronic payments from Princeton University must use Bank of America’s ePayables credit card payment program.

Does this apply to payments to individuals?
- One-time payments to individuals, including honoraria, are exceptions to the new payment terms and will continue to be paid immediately.

How can I change my terms to the new accelerated payment program? What if I still have questions about the new payment terms? Who can I talk to?
- You can send an email to finance@princeton.edu and a member of the Financial Service Center will contact you.