

Title:		Contents:	M-1500
CASH DISCOUNTS		Submitted By:	Purchasing Division
		Approved By:	Purchasing Agent
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		Page No.	1 of 1

Policy

Cash discounts of 30 days or 25th prox. shall be considered by the Purchasing Agent and departments when evaluating a bidders' prices.

Cash Discounts

Vendors offer cash discount as an incentive for the prompt payment of their invoices. Cash discounts of 30 days or 25th prox. shall be considered in the evaluation process. Cash discounts are achievable based on the Board of Supervisors' mandate, which requires payments to vendors and contractors within 30 days.

Example:

An offer for Widgets at \$100.00 each with terms of 2%/30 (2% discount if paid within 30 days) will be evaluated as \$98.00 in the bid evaluation.

Types of Cash Discounts:

A. 1/30, 2/45, etc.

Discounts of 1% and 2% respectively can be deducted from the invoice when payment is made within 30 and 45 days.

B. 1% 15th prox., 5% 25th prox., etc.

Discounts of 1% and 5% respectively can be deducted from the invoice when payment is made by the 15th and 25th day of the month following receipt of the invoice.

C. Net/10, Net/30, etc.

The net amount of the invoice is due and payable within 10 and 30 days respectively.

Date in which Cash Discounts Are Calculated

The discount period is calculated from the date of delivery of the merchandise, or the date of receipt of proper and correct invoice, whichever is later.

Example: An invoice is received today and the merchandise is received three (3) weeks later, the cash discount is calculated from the date the merchandise is received.