



## SMUD Supplier Payment Terms and Dynamic Discount Memo

Dear Valued Supplier,

This memo is to inform you of changes that may affect the way you transact with SMUD.

Effective May 1, 2020, SMUD has changed standard payment terms from Net 30 to Net 45 days for all **new contracts** going forward. This change is intended to align with industry best practices, as we're seeing many peer utilities and businesses in the region shift to Net 45 days, and even Net 60 days in some cases. For all State certified Small and Micro businesses that are also SMUD customers registered through our Supplier Education and Economic Development program ([SEED program](#)), we'll continue to honor our Prompt Payment Program terms at Net 20 days.

In conjunction with the new Net 45 payment terms for new contracts, if you transact with us using the [SAP Ariba network](#), you may be offered earlier payment in return for a small discount on the amount of your invoice. Please note that SAP Ariba may be reaching out to your organization shortly to help you understand and enroll in discount management opportunities within SAP Ariba.

I encourage you to reach out to your [SMUD Procurement Professional](#) with any questions you may have.

Thank you for your continued partnership and support of our organization.

Sincerely,

Robert C. Adams  
Procurement Manager