

**Subject:** Xerox (UK) Limited – Prompt Payment Plan

**Number:** XRXUKPPP 001

**Effective Date:** January 01, 2020

**Dated:** Updated December 2020

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## **SUMMARY**

This document establishes the guidelines governing Xerox (UK) Limited Prompt Payment Plan.

## **PURPOSE:**

The purpose of the Prompt Payment Plan is to ensure that Xerox (UK) limited is paying 3<sup>rd</sup> Party Suppliers within 60 days of receipt of a valid invoice thereby supporting the UK Government's Prompt Payment Notice – PPN 04/19.

The threshold that is targeted is 95% of invoices in Xerox (UK) Limited are payed within 60 days.

## **REVIEW:**

Xerox (UK) limited, has changed its standard payment terms from its existing EMEA Payment Term policy below:

- Xerox releases payment of invoices on or before the third (3rd) business day of the month following the sixtieth (60th) calendar day after the supplier's correct invoice.

To:

- Xerox releases payment of invoices on or before sixtieth (60th) calendar day after the supplier's correct invoice is received.

Note this is a new standard payment term for Xerox (UK) Limited, however certain supplier contracts which are agreed between the parties may exceed these terms.

In addition, Xerox (UK) limited also will continue to ensure that suppliers dedicated exclusively to UK Government contracts are paid on the reduced payment term below:

- Xerox releases payment of invoices on or before thirtieth (30th) calendar day after the supplier's correct invoice is received.

Xerox (UK) Limited will also continue to promote its mature Procurement Card program which was established to ensure an efficient process for high volume low value transaction spend with suppliers. On average these transactions are cleared within 3 days.

This change has led to a marked improvement in our payment performance during 2020, moving from 60% to 85% in the last six months, closer towards the targeted 95%

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**PRIMARY CAUSES OF FAILURE TO MEET PAYMENT TERMS:**

Invoice received late;  
Non-compliant invoice;  
Service/delivery dispute;  
Price/charge dispute;  
Processing delay.

**PLANS:**

Xerox plans to introduce a new platform for the raising and approving of purchase orders and invoices. This will be introduced in February 2021 and it is hoped that this will aid workflow.

**ONGOING ACTIONS:**

Further steps are still required to ensure that Xerox (UK) meets and maintains the 95% threshold:

1. Payment statistics to be generated and communicated internally on a monthly basis.
2. Continuation of weekly management review of invoice status via the Parked Report meeting.
3. Management intervention to take place where requisitioners fail to process goods received notifications ('GRN's) in a timely manner.



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**A Arthurton**

Finance Director, UMEI