

Special Invoice Instructions for Selected Services USMMMxxxx Purchase Orders

In circumstances where a Supplier receives a PO for a service which will be provided over a longer time period, and the supplier will be invoicing smaller values over that time period (up to the total PO value), 3M may “reverse” the price and quantity fields on the PO. This is done so that 3M can receive multiple invoices and enable the 3-way match.

Example: The cost of a service provided over a period of six months will be \$5000.00. The Vendor will be invoicing 3M two times over that period.

The Purchase Order would look like this:

PURCHASE	ORDER	
QUANTITY	5,000 EA	This number will be the total value of the Purchase Order
PRICE	\$1.00	This is a constant number and will not change
EXTENDED VALUE	\$5,000.00	This number is the total value of the Purchase Order

The Quantity field on the PO reflects the numerical value of the cost of service, the Price field reflects a constant value of \$1.00, and the Extended Value field reflects the amount 3M expects to pay for the total service provided.

The Vendor wishes to invoice 3M for the first 3 months of service at the amount of \$2,500.00.

The invoices would look like this:

INVOICE #1		
QUANTITY	2,500 EA	This number is the amount for the services provided to date
PRICE	\$1.00	This is a constant number and will not change
EXTENDED VALUE	\$2,500.00	The dollar value of the invoice

This allows the quantity and price to match the PO, which enables the first payment to be issued automatically. The open PO quantity will be reduced to 2,500 EA.

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The second, or final invoice would look the same:

INVOICE #2

QUANTITY	2,500 EA	This number is the amount for the services provided to date
PRICE	\$1.00	This is a constant number and will not change
EXTENDED VALUE	\$2,500.00	The dollar value of the invoice

When this invoice is matched to the PO (and receipts), the quantity of the PO is reduced to zero and the final payment is made per the payment terms.

The invoice should always match how the PO reads.

If you have questions, please contact the SORC at 612-326-3839 or the buyer listed on the Purchase Order.