

Payment Term Options - Frequently Asked Questions

When your company enrolled to participate, it chose its net terms in the subcontractor agreement. This document serves as a source to frequently asked questions.

What payment options are available?

The available payment options are:

- Pay when Paid, Net 7 days
 - Payments made net 7 days after receipt of payment from the agency.
- Net 2 Day Payment Terms:
 - Payments are made on the 8th of the subsequent month for the previous month's labor that is approved in the VMS no later than the 5th day of the subsequent month, subject to a discount of three percent (3%) of the invoice amount retained by CAI.
 - For example, January labor approved by the 5th of the February will be released in payment to the supplier by February 8th with 3% of the total amount retained by CAI.
- Net 15 Day Payment Terms:
 - Payments are made on the 23rd day of the subsequent month for the previous month's labor that is approved by in the VMS by the 19th day of the subsequent month, subject to a discount of one percent (1%) of the invoice amount to be retained by CAI.
 - For example, January labor approved by the 19th of the February will be released in payment to the supplier by February 23rd with 1% of the total amount retained by CAI.

Pay when paid: Is there any schedule I can refer to?

CAI makes its best efforts to bill the agency around the 15th of every month for the previous month's approved timesheets. Each client has contract specific payment terms to CAI (ex: net 30, net 45, net 60). For a net 30 client for example, assuming that the agency issues payment promptly, payment can be expected sometime around the end of the following month (as an example, January time is billed on February 17th with payment due to CAI by March 18th; CAI pays you net 7 days after receipt).

The agency typically takes a day or two to receipt the invoice, so their clock starts slightly later than CAI's. Payment receipt times are also dependent on whether the agency pays CAI via ACH or check. This can and will influence payment time frames.

Finally, keep in mind the effect that holidays can have on payment.

My company is small, and this proves a cashflow problem. What can I do?

Please ensure that your company is setup to receive payments via ACH. This is the quickest and most efficient way to be paid. To set up ACH, please get in touch with Accounts.Payable@cai.io

In addition, all suppliers have the option to change their payment terms if desired per the schedule outlined in your subcontractor agreement.

To change your payment terms, please submit a newly signed sub agreement to our supplier management portal: <https://cai.service-now.com/sm>

Does CAI do anything to ensure prompt payment from the agency?

Yes, CAI monitors payments daily and weekly. As soon as a payment is late, it is followed up. CAI personnel communicate with clients to ensure they understand the importance of prompt timesheet approvals and invoice and payment processing.

Does CAI do anything if the agency is late with payment?

CAI tracks incoming payments. Once payment is late, follow-up is done after 14 business days has passed. If this does not resolve the issue, then the situation is escalated internally and with the client.

In my Workday portal, the invoice and the due date are 8th, why is this?

The "Invoice Date" that appears represents the date you as the supplier would have invoiced CAI if it was not an automatic process. Since CAI no longer requires invoice submittal because payment is made based on approved time, Workday populates the date of the 8th as the supplier invoice date. **This date has no impact on the payment processing.**

The "Due Date" represents the earliest CAI could process payment to you. Since the date is the same as the "Invoice Date," it allows CAI to process the payment as soon as it receives payment from the agency (plus the 7-day processing time). If CAI used a date of 30 days plus 7, the system would hold the invoice until those 37 days had passed. The "Due Date" is just a placeholder.

In my Workday portal, I can see an 'On Hold' status next to my payment. What does this mean?

If your company is pay when paid, the payment is 'On Hold' until CAI receives payment from the agency. Once this occurs, the 'On Hold' status will disappear, indicating that payment will be made to your company.

What are the contract-specific terms by contract?

<u>Contract</u>	<u>Term</u>
State of Arkansas	Net30
State of Connecticut	Net30
District of Columbia	Net30, but invoicing is on a 4-week cycle
Florida Temp Staffing	Net30
State of Georgia	Net30
State of Hawaii	Net30
State of Idaho	Net30
State of Indiana	Net35
State of Iowa	Net30
State of New Jersey	Net60
State of North Carolina	Net30
Sourcewell - US	Net 30
State of New Mexico	Net30
Washington Metropolitan Area Transit	Net30
Virginia Information Technology Agency	Net30
State of North Dakota	Net30