

Askee: Len Radde

**QUESTION:** Are payment terms of Net Prox 25th and Prox 25th the same? Do they mean payment on the 25th of the following month of the invoice date?

**RESPONSE:** Net 25th Prox, 25th Prox, and Prox 25th are one in the same. In each case, the invoices from a given month are due on the 25th of the subsequent (following) month.

For example, invoices dated 1/01/14 thru 1/31/14 are due 2/25/14. Sometimes a customer may have a cut-off-date they publish or advise you of. For example, instead of invoices up to the 31st of January being paid on the 25th of February, the client may say we cutoff invoices on the 27th. So in that example invoices dated 12/28/13 to 1/27/14 are paid on February 25th, 2014. To further that example invoices from January 28th to February 27th will be scheduled for payment on March 25th, 2014.