

**Overview: In an effort to promote the timely processing of all vendor invoices, Challenge Mfg. Company ("the Company") has established formal invoicing policies and procedures. Adherence to the outlined policy is required by all vendors of the Company.**

**Invoicing Guidelines:**

- Invoices require specific reference to the related approved purchase order, including the proper terms as set forth by the governing purchase order. Each invoice may reference only one (1) purchase order.
- Invoices require specific reference to its applicable shipper/packing slip number.
- *Tooling and equipment only* - Tooling and capital invoices must reference any established milestones related to the billing as specified in the Company's related purchase order. Support for the milestone billing must accompany the invoice as **one** attached file. (ie. if delivery milestone is met, shipping documentation is to be provided).
- *Tooling Only* - All tooling related invoices must reference the specific part number.

**Submitting Invoices:**

- All invoices are to be sent in **PDF format** to the Company's shared in-box [payables@challenge-mfg.com](mailto:payables@challenge-mfg.com)
- Vendor invoices require the naming convention of "vendor name", "invoice number", and "purchase order" when submitted (ie. "ChallengeVendor-INV234-PO789.PDF").
- All invoices must be dated within 3-days of the related submission date, to the Company's payables department.
- Each PDF may contain only one (1) invoice; however, up to 10 pdfs may be submitted in one (1) email.
- Submit each invoice only one (1) time to the email address noted above.

**Shippers/Packing Slips:**

- Shippers and/or Packing Slips that accompany the shipment must reference the correct purchase order number - and originating party, if shipped from a 3rd party vendor.

**Inquiries:**

- All inquiries related to invoice status and payment detail should be sent directly to [AP-inquiries@challenge-mfg.com](mailto:AP-inquiries@challenge-mfg.com)
- Any auto-generated payment reminders should be directed to the AP-Inquiries email address only (do not send duplicate copies of invoices to our payables email box).
- Please send all statements, in pdf or excel format, to AP-inquiries (do not send to the payables email box).

**Cost Recovery Provisions:**

In an effort to acknowledge the substantial administrative costs associated with the receipt of inaccurate invoicing, the Company will assess a standard administrative charge of \$250 per incorrect invoice for documents with issues **including but not limited to**:

- Invoice Dates - Invoices dated more than 3 days prior to the submission date, to the Company's payables department.
- Terms - Invoices with terms or due dates inconsistent with effective purchase order related to the transaction.
- Amounts - Invoices with charges assessed in excess of the agreed upon milestone or sales price.
- *Tooling and Capital Only* - While Challenge acknowledges the need for protections of vendor investments via Uniform Commercial Code ("UCC") article 1, all filings are expected to be terminated within 30 days of payment of the final purchase order. The cost recovery for administrative services will be charged 30 days subsequent to the final payment of the corresponding purchase order. This charge will reoccur on a quarterly basis until the filing has been terminated.

Adherence to the aforementioned guidelines is critical in the Company's timely and accurate processing of supplier invoices. Please feel free to contact the payables team with any specific questions related to the guidelines established above.