



New York State Comptroller  
**THOMAS P. DINAPOLI**

# Prompt Payment Interest Report

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State Fiscal Year 2022-23

May 30, 2023

## **Introduction**

Article 11-A of State Finance Law was enacted to ensure contractors doing business with New York State are paid in a timely manner. The law prescribes timeframes within which a contractor must be paid, during which time the agency must prepare and submit an approvable voucher and the Office of the State Comptroller (OSC) must process the payment. If an agency or OSC misses the deadline, interest accrues until the payment is made. Generally, the timeframe for payment is 30 days from the date that a proper invoice is received by the State agency or from the date that the goods or services covered by the proper invoice are provided, whichever is later. However, for eligible small businesses that agree to use the State's electronic means of receiving invoices and making payments, the timeframe is reduced from 30 to 15 days. If an agency misses the deadline, interest accrues until the payment is made, with limited exceptions.

Annually, OSC reports on late payments and interest paid by agencies, including the number of days in which payments were late, as well as the causes reported by agencies for delays, as required by State Finance Law Section 179-m(3). For State Fiscal Year (SFY) 2022-23, agencies paid vendors \$4,087,280 in interest, an increase of \$3,081,904 (approximately 307 percent) from SFY 2021-22. In situations where vouchers were accruing interest when submitted to OSC for approval, OSC consistently processed these payments in less time than allotted under the State Finance Law. In doing so, it prevented an estimated \$964,960 in additional prompt payment interest charges that would have otherwise been owed.

## Prompt Payment Interest

Top Ten Agencies with the Highest Interest Paid in SFY 2022-23 Compared to the Prior Fiscal Year

Agency Name	SFY 2022-23	SFY 2021-22	Change
Department of Health	\$1,998,566	\$262,523	661.29%
Department of Transportation	469,409	245,379	91.30%
State University of New York	247,704	95,701	158.83%
Office of Mental Health	209,150	30,985	575.00%
Department of Corrections & Community Supervision	173,631	72,903	138.17%
Office of General Services	128,744	29,406	337.82%
Office of Information Technology Services	116,912	57,366	103.80%
Department of Environmental Conservation	86,375	22,809	278.69%
Department of Civil Service	63,182	1,461	4224.57%
Office for People with Developmental Disabilities	57,512	10,543	445.50%
<b>Subtotal</b>	<b>\$3,551,185</b>	<b>\$829,076</b>	<b>328.33%</b>
All Other State Agencies	536,095	176,300	204.08%
<b>Statewide Total</b>	<b>\$4,087,280</b>	<b>\$1,005,376</b>	<b>306.54%</b>

## Reasons for Interest Payments

April 1, 2022 through March 31, 2023

Reason for Interest	Amount of Interest Paid	Number of Interest Payments
Delay in Encumbrance Processing	\$2,070,962	710
Agency Backlog/Processing Delay	385,646	239
Agency Did Not Report Interest Reason	34,138	23
System Processing	21,844	13
Insufficient Funds	9,984	4
Agency Data Entry Error	4,707	4
Various Reasons – Interest Under \$500*	1,559,999	30,236
	<b>\$4,087,280</b>	<b>31,229</b>

\*This category is the aggregate of interest on vouchers where the interest was less than \$500 per voucher.

## Prompt Payment Interest by Agency

April 1, 2022 through March 31, 2023

Agency Name	Total Number of Days to Process All Late Payments <sup>1</sup>	Number of Interest Chargeable Days <sup>2</sup>	Number of Interest Payments <sup>3</sup>	Amount of Interest Paid <sup>4</sup>
Department of Health	6,970,151	6,611,276	11,972	\$1,998,566
Department of Transportation	188,999	120,479	2,303	469,409
State University of New York	305,795	187,115	3,956	247,704
Office of Mental Health	233,942	144,167	3,001	209,150
Department of Corrections & Community Supervision	279,444	186,609	3,106	173,631
Office of General Services	77,648	55,973	736	128,744
Office of Information Technology Services	19,702	12,982	230	116,912
Department of Environmental Conservation	31,091	19,811	376	86,375
Department of Civil Service	1,881	711	39	63,182
Office for People with Developmental Disabilities	100,905	67,860	1,128	57,512
Department of Labor	37,799	23,639	472	54,303
Office of Addiction Services and Supports	12,598	6,673	198	46,264
Department of State	12,938	6,698	208	46,240
State Education Department	52,001	38,996	440	46,204
Department of Law	36,372	28,497	263	45,135
Department of Agriculture and Markets	11,522	7,382	138	40,632
Office of Children & Family Services	64,915	45,910	634	35,754
Department of Environmental Conservation – Oil Spill	21,276	13,176	270	33,917
Gaming Commission	1,965	1,185	26	22,966
Division of Budget	160	70	3	17,824
City University of New York	17,726	10,166	252	17,539

Agency Name	Total Number of Days to Process All Late Payments <sup>1</sup>	Number of Interest Chargeable Days <sup>2</sup>	Number of Interest Payments <sup>3</sup>	Amount of Interest Paid <sup>4</sup>
Office of Parks, Recreation & Historic Preservation	5,416	3,136	77	10,376
Board of Elections	8,883	6,663	74	10,019
Court Administration and General Support	7,586	4,436	106	9,937
Division of Military & Naval Affairs	13,120	10,135	101	9,897
Office of Temporary & Disability Assistance	4,409	3,119	43	9,731
Department of Motor Vehicles	5,064	2,079	105	8,616
Office of the State Comptroller	10,260	6,645	122	8,329
Office for the Prevention of Domestic Violence	5,256	2,796	82	7,672
Courts of Original Jurisdiction	13,375	9,505	129	6,142
Office of Victim Services	2,263	553	57	6,035
Office for the Aging	2,881	1,396	53	5,412
Division of State Police	3,497	1,892	56	4,419
Workers' Compensation Board	672	312	12	3,781
Appellate Divisions	17,158	12,808	145	3,449
Division of Homeland Security	2,166	1,086	36	2,901
Department of Financial Services	3,566	1,961	54	2,821
Department of Taxation and Finance	1,415	575	28	2,476
Department of Economic Development	179	59	4	2,171
Division of Housing & Community Renewal	443	233	7	2,035
Higher Education Services Corporation	2,166	996	39	1,905
Division of Criminal Justice Services	1,235	665	19	1,880
Lake George Park Commission	478	268	9	1,464
Corcraft	2,259	1,209	35	1,415
Department of Veterans' Services	713	353	12	1,081

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Department of Public Service	460	160	10	734
Justice Center for the Protection of People with Special Needs	473	173	10	418
Senate	60	30	1	340
Office of Medicaid Inspector General	374	194	6	254
Governor's Traffic Safety Committee	253	73	6	209
Public Employment Relations Board	482	332	5	191
Commission on Ethics and Lobbying in Government	101	41	2	165
Assembly	194	74	4	149
Commission on National and Community Service	157	67	3	145
Office of the Inspector General	161	71	3	145
State Commission of Correction	58	28	1	114
Court of Appeals	139	79	2	90
State University Construction Fund	51	21	1	78
Division of Alcoholic Beverage Control	71	11	2	70
Commission on Judicial Conduct	396	306	3	58
Developmental Disability Planning Council	1,024	994	1	57
City University Construction Fund	65	35	1	53
Governor's Office of Employee Relations	87	27	2	38
Interest on Lawyer Account Fund	35	5	1	33
Hudson River Valley Greenway Communities Council	32	2	1	19
Executive Chamber	35	5	1	14
Council on the Arts	81	51	1	12
<b>Total:</b>			<b>31,223</b>	<b>\$4,085,313</b>
Interest Attributed to OSC Processing Time			6	1,967
<b>Grand Total:</b>			<b>31,229</b>	<b>\$4,087,280</b>

<sup>1</sup> The total number of days to process all payments that accrued interest. The number includes both days prior to the due date when a payment was not considered late, plus days after the due date when the payment was late and accruing interest.

<sup>2</sup> The total number of days for all payments made after the due date when the payment was considered late and accruing interest.

<sup>3</sup> The total number of interest payments made for transactions that were considered late and accrued interest.

<sup>4</sup> The total amount of interest paid as a result of all late payments.

## Contact

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