



New York State Comptroller
THOMAS P. DiNAPOLI

Prompt Payment Interest Report

State Fiscal Year 2018-19

May 2019

Introduction

In order to ensure contractors doing business with New York State are paid timely, Article 11-A of State Finance Law prescribes timeframes for agencies to prepare and submit vouchers to the Office of the State Comptroller (OSC) for review and approval before payment. Generally, this timeframe is defined as 30 days from the date goods or services are provided and an invoice is received. For small businesses that agree to use the State's electronic means of receiving invoices and making payments, the timeframe is reduced to 15 days. If an agency misses the deadline, interest accrues until the payment is made.

Annually, OSC reports on late payments and interest paid by agencies, including the number of days late and the causes reported by agencies for delays as required by State Finance Law Section 179-m (3). For fiscal year 2018-19, agencies paid vendors \$1,528,891 in interest, an increase of \$183,125 (approximately 14 percent) from 2017-18. Our office consistently completed our voucher audit in less time than allotted under the State Finance Law. In doing so, we prevented an estimated \$435,507 in additional prompt payment interest charges that would have otherwise been owed.

Prompt Payment Interest

Top Ten Agencies with the Highest Interest Paid in FY 2018-19 Compared to the Prior Fiscal Year

Agency Name	FY 18-19	FY 17-18	Change
Department of Health	\$476,064	\$628,689	-24.28%
State University of New York	274,454	96,725	183.75%
Office of Information Technology Services	161,686	41,621	288.47%
Department of Transportation	146,733	90,550	62.05%
Office of Mental Health	94,040	56,839	65.45%
Department of Corrections & Community Supervision	76,320	170,290	-55.18%
State Education Department	45,513	36,008	26.40%
Department of Environmental Conservation	40,444	12,879	214.03%
Office of General Services	35,985	28,186	27.67%
Office of Children & Family Services	32,594	30,411	7.18%
Subtotal	\$1,383,833	\$1,192,198	16.07%
All Other State Agencies	145,058	153,568	-5.54%
Statewide Total	\$1,528,891	\$1,345,766	13.61%

Reasons for Interest Payments

April 1, 2018 through March 31, 2019

Reason for Interest	Amount of Interest Paid	Number of Interest Payments
Agency Data Entry Error	\$7,358	7
Insufficient Funds	12,073	11
System Processing	39,462	18
Delay in Encumbrance Processing	312,363	146
Agency Backlog/Processing Delay	352,369	235
Various Reasons - Interest Under \$500*	805,266	19,248
	\$1,528,891	19,665

*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, 2018 through March 31, 2019

Agency Name	Total Number of Days to Process All Late Payments	Number of Interest Chargeable Days	Number of Interest Payments	Amount of Interest Paid
Department of Health	164,536	105,796	1,959	\$476,064
State University of New York	630,962	371,132	8,661	274,454
Office of Information Technology Services	27,756	16,476	376	161,686
Department of Transportation	52,155	26,955	840	146,733
Office of Mental Health	96,299	59,399	1,232	94,040
Department of Corrections & Community Supervision	182,006	114,491	2,256	76,320
State Education Department	140,770	112,930	928	45,513
Department of Environmental Conservation	28,763	20,633	271	40,444
Office of General Services	15,759	7,689	272	35,985
Office of Children & Family Services	133,477	116,557	564	32,594
Office for People with Developmental Disabilities	67,452	50,022	583	27,653
Department of State	5,111	2,471	88	12,612
Court Administration and General Support	4,963	2,653	77	12,349
City University of New York	19,408	11,668	258	9,399
Department of Environmental Conservation - Oil Spill	5,638	2,008	121	8,994
Department of Labor	10,280	5,735	152	7,219
Division of State Police	6,348	2,973	113	6,270
Division of Military & Naval Affairs	4,767	2,877	63	5,197
Division of Criminal Justice Services	599	239	12	4,889
Office of the State Comptroller	5,410	2,980	81	4,724

Agency Name	Total Number of Days to Process All Late Payments	Number of Interest Chargeable Days	Number of Interest Payments	Amount of Interest Paid
Department of Law	4,246	2,416	62	4,494
Office of Parks, Recreation & Historic Preservation	4,384	2,419	66	4,469
Miscellaneous Agencies	39	9	1	4,316
Workers' Compensation Board	9,762	5,652	137	4,040
Office of Alcoholism & Substance Abuse Services	2,088	978	37	3,463
Department of Motor Vehicles	2,589	1,149	48	2,628
Department of Economic Development	403	133	9	2,072
Courts of Original Jurisdiction	11,529	9,849	56	2,003
Office of Temporary & Disability Assistance	3,723	2,733	33	1,954
Department of Taxation and Finance	1,477	847	21	1,542
Office for the Aging	979	529	15	1,397
Court of Appeals	3,497	3,257	8	1,329
Department of Agriculture and Markets	1,419	609	27	1,261
Justice Center for the Protection of People with Special Needs	438	288	5	\$1,057
Office of Victim Services	1,308	588	24	1,030
Department of Financial Services	2,001	1,011	33	1,005
Council on the Arts	1,170	780	13	940
Gaming Commission	526	226	10	911
Higher Education Services Corporation	630	240	13	819
Board of Elections	901	451	15	780
Office for the Prevention of Domestic Violence	839	269	19	642
Department of Public Service	796	436	12	615

Agency Name	Total Number of Days to Process All Late Payments	Number of Interest Chargeable Days	Number of Interest Payments	Amount of Interest Paid
Division of Human Rights	129	39	3	612
Department of Civil Service	1,032	402	21	539
Appellate Divisions	2,901	2,181	24	528
Lake George Park Commission	1,055	905	5	422
Public Employment Relations Board	1,564	1,144	14	262
Division of Veterans' Affairs	243	93	5	160
Division of Homeland Security	434	209	8	155
Division of Alcoholic Beverage Control	166	46	4	92
Corcraft	142	52	3	82
Commission on National and Community Service	52	22	1	35
New York Statewide	374	344	1	29
Office of Medicaid Inspector General	30	15	1	21
Division of Budget	54	24	1	14
Office of Indigent Legal Services	31	1	1	12
Commission on Judicial Conduct	452	422	1	11
New York State Assembly	42	12	1	11
Total			19,665	\$1,528,891

Contact

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Prepared by the Office of Operations



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