



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

# Prompt Payment Interest Report

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State Fiscal Year 2019-20

May 2020

## **Introduction**

In order to ensure contractors doing business with the 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 is 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 causes reported by agencies for delays as required by State Finance Law Section 179-m (3). For fiscal year 2019-2020, agencies paid vendors \$1,731,011 in interest, an increase of \$202,120 (approximately 13 percent) from 2018-19. Our office consistently completed our voucher audit in less time than allotted under the State Finance Law. In doing so, we prevented an estimated \$397,430 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 2019-20 Compared to the Prior Fiscal Year

Agency Name	FY 19-20	FY 18-19	Change
State University of New York	\$314,402	\$274,454	14.56%
Office of Information Technology Services	250,103	161,686	54.68%
Department of Health	180,495	476,064	-62.09%
Department of Transportation	173,309	146,733	18.11%
Office of Mental Health	139,701	94,040	48.55%
Department of Correctional Services & Community Supervision	128,278	76,320	68.08%
Office for People with Developmental Disabilities	82,290	27,653	197.58%
Office of General Services	72,300	35,985	100.92%
State Education Department	61,428	45,513	34.97%
Office of Children & Family Services	60,984	32,594	87.10%
<b>Subtotal</b>	<b>\$1,463,290</b>	<b>\$1,371,042</b>	<b>6.73%</b>
All Other State Agencies	267,721	157,849	69.61%
<b>Statewide Total</b>	<b>\$1,731,011</b>	<b>\$1,528,891</b>	<b>13.22%</b>

## Reasons for Interest Payments

April 1, 2019 through March 31, 2020

Reason for Interest	Amount of Interest Paid	Number of Interest Payments
Agency Backlog/Processing Delay	\$513,442	299
Delay in Encumbrance Processing	153,048	71
System Processing	63,365	15
Insufficient Funds	10,535	7
Agency Data Entry Error	1,981	3
Various Reasons - Interest Under \$500*	988,641	23,081
	\$1,731,011	23,476

\*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, 2019 through March 31, 2020

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>
State University of New York	718,695	439,965	9,315	\$314,402
Office of Information Technology Services	133,982	112,442	720	250,103
Department of Health	138,447	91,707	1,562	180,495
Department of Transportation	64,699	33,994	1,025	173,309
Office of Mental Health	163,650	104,190	1,984	139,701
Department of Corrections & Community Supervision	192,552	107,577	2,834	128,278
Office for People with Developmental Disabilities	123,001	84,766	1,278	82,290
Office of General Services	27,123	12,588	486	72,300
State Education Department	237,299	204,824	1,083	61,428
Office of Children & Family Services	102,647	85,652	567	60,984
Court Administration and General Support	34,466	28,601	197	39,611
Department of Environmental Conservation	35,232	25,122	337	29,136
Department of Environmental Conservation - Oil Spill	4,890	1,620	109	18,508
Office of Parks, Recreation & Historic Preservation	11,214	6,639	153	18,120
Department of Agriculture and Markets	5,143	2,293	95	17,494
Department of State	4,781	1,856	98	15,276
Office of Victim Services	7,856	4,466	113	12,377
Department of Labor	9,283	5,593	123	12,305
City University of New York	16,046	9,866	206	11,426
Division of State Police	7,130	2,390	158	10,846
Courts of Original Jurisdiction	15,781	12,571	107	9,349
Division of Military & Naval Affairs	7,842	5,322	84	7,048

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 Motor Vehicles	4,412	1,592	94	6,552
Department of Civil Service	3,054	1,554	50	5,207
Office of Temporary & Disability Assistance	4,127	2,417	57	4,920
Division of Veterans' Affairs	3,244	2,524	24	4,811
Office of Addiction Services and Supports	2,848	1,378	49	4,313
Department of Financial Services	2,120	1,010	37	4,068
Office of the State Comptroller	3,487	1,747	58	3,505
Board of Elections	1,941	1,131	27	3,474
Department of Law	7,972	5,437	85	3,369
Governor's Traffic Safety Committee	1,741	541	40	2,888
Department of Taxation and Finance	2,338	928	47	2,758
Workers' Compensation Board	1,760	920	28	2,583
Office for the Aging	1,253	503	26	2,318
Department of Economic Development	885	405	16	2,202
Gaming Commission	406	136	9	1,517
Justice Center for the Protection of People with Special Needs	1,714	949	26	1,380
Appellate Divisions	4,730	3,530	40	1,205
Higher Education Services Corporation	366	156	7	1,125
Interest on Lawyer Account Fund	259	199	2	1,054
Division of Housing & Community Renewal	198	78	4	910
Court of Appeals	182	92	3	844
Division of Criminal Justice Services	359	119	8	785
Corcraft	1,350	540	27	734

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 Public Service	947	437	17	721
Office for the Prevention of Domestic Violence	455	155	10	687
Public Employment Relations Board	583	283	10	414
Office of Indigent Legal Services	305	125	6	395
Division of Homeland Security	504	294	7	329
Division of Alcoholic Beverage Control	243	153	3	187
Developmental Disabilities Planning Council	182	62	4	184
State University Construction Fund	38	8	1	162
Council on the Arts	154	34	4	161
Senate	190	55	5	159
Lake George Park Commission	141	51	3	95
Adirondack Park Agency	50	20	1	38
Commission on Judicial Conduct	71	41	1	26
Office of Medicaid Inspector General	28	13	1	22
Commission on National and Community Service	111	51	2	22
Assembly	64	34	1	18
Division of Human Rights	104	74	1	17
<b>Total:</b>			<b>23,475</b>	<b>\$1,730,945</b>
Interest Attributed to OSC			1	66
<b>Grand Total:</b>			<b>23,476</b>	<b>\$1,731,011</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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Prepared by the Office of Operations



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