



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

# Prompt Payment Interest Report

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State Fiscal Year 2020-21

May 2021

## **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 for agencies to prepare and submit vouchers to the Office of the State Comptroller (OSC) for review and approval before payment. Generally, the timeframe is 30 days from the date goods or services are provided and an invoice is received. However, for eligible 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 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) 2020-21, agencies paid vendors \$1,451,218 in interest, a decrease of \$279,793 (approximately 16 percent) from SFY 2019-20. The office consistently completed its voucher audit in less time than allotted under the State Finance Law. In doing so, it prevented an estimated \$219,029 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 2020-21 Compared to the Prior Fiscal Year

Agency Name	SFY 2020-21	SFY 2019-20	Change
Department of Health	\$720,790	\$180,495	299.34%
Department of Transportation	100,440	173,309	-42.05%
State Education Department	93,653	61,428	52.46%
Department of Environmental Conservation	72,373	29,136	148.40%
Office of Information Technology Services	65,839	250,103	-73.68%
State University of New York	59,376	314,402	-81.11%
Office of Mental Health	58,030	139,701	-58.46%
Department of Correctional Services & Community Supervision	49,100	128,278	-61.72%
Department of Environmental Conservation - Oil Spill	35,679	18,508	92.78%
Office of General Services	33,638	72,300	-53.47%
<b>Subtotal</b>	<b>\$1,288,918</b>	<b>\$1,367,660</b>	<b>-5.76%</b>
All Other State Agencies	162,300	363,351	-55.33%
<b>Statewide Total</b>	<b>\$1,451,218</b>	<b>\$1,731,011</b>	<b>-16.16%</b>

## Reasons for Interest Payments

April 1, 2020 through March 31, 2021

Reason for Interest	Amount of Interest Paid	Number of Interest Payments
Agency Backlog/Processing Delay	\$558,314	302
Delay in Encumbrance Processing	163,556	119
System Processing	503	1
Various Reasons - Interest Under \$500*	728,845	11,890
	\$1,451,218	12,312

*\*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, 2020 through March 31, 2021

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	345,108	229,593	3,926	\$720,790
Department of Transportation	54,852	34,032	694	100,440
State Education Department	65,393	44,003	713	93,653
Department of Environmental Conservation	46,049	32,489	452	72,373
Office of Information Technology Services	9,770	5,465	144	65,839
State University of New York	147,077	96,917	1,672	59,376
Office of Mental Health	90,116	59,726	1,016	58,030
Department of Corrections & Community Supervision	87,164	53,189	1,135	49,100
Department of Environmental Conservation - Oil Spill	25,324	13,144	406	35,679
Office of General Services	11,286	5,736	196	33,638
Office for People with Developmental Disabilities	39,729	28,344	385	24,889
Office of Children & Family Services	80,526	68,856	389	19,883
Department of Labor	11,816	7,466	145	14,625
Department of Motor Vehicles	2,111	1,091	34	12,277
City University of New York	8,172	5,172	100	8,976
Division of State Police	3,688	2,008	56	8,545
Office of Temporary & Disability Assistance	3,865	2,005	62	8,334
Department of Agriculture and Markets	1,865	1,145	24	6,611
Office for the Aging	4,539	2,484	71	5,780
Court Administration and General Support	3,843	2,403	48	4,752
Office of Victim Services	3,542	1,802	58	4,435

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 Civil Service	1,558	988	19	3,876
Office of Addiction Services and Supports	2,463	1,308	39	3,694
Gaming Commission	451	241	7	3,450
Department of Law	3,702	1,857	62	3,248
Division of Criminal Justice Services	1,967	947	34	3,114
Board of Elections	1,887	1,047	28	2,930
Office of Parks, Recreation & Historic Preservation	2,695	1,375	44	2,368
Division of Housing & Community Renewal	775	235	18	2,315
Workers' Compensation Board	330	120	7	2,134
Office of the State Comptroller	4,411	3,181	41	1,998
Courts of Original Jurisdiction	5,771	4,271	50	1,892
Department of Financial Services	2,770	1,690	37	1,658
Division of Military & Naval Affairs	2,891	1,721	39	1,601
Department of State	866	326	18	1,105
Department of Taxation and Finance	1,184	584	20	962
Corcraft	1,106	566	18	853
Appellate Divisions	2,512	1,762	25	814
Office for the Prevention of Domestic Violence	519	249	9	640
Department of Economic Development	322	112	7	484
Senate	178	58	4	482
Public Benefit Corporations	63	33	1	472
Justice Center for the Protection of People with Special Needs	364	154	7	451

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>
Higher Education Services Corporation	359	209	5	427
Assembly	454	274	6	359
Lake George Park Commission	276	126	5	324
Interest on Lawyer Account Fund	35	5	1	273
Division of Homeland Security	786	426	12	272
Council on the Arts	350	230	4	235
Miscellaneous Agencies	62	2	2	173
Division of Budget	182	122	2	148
Executive Chamber	59	29	1	123
Division of Veterans' Affairs	349	289	2	80
Commission on Judicial Conduct	472	442	1	43
Adirondack Park Agency	84	54	1	39
Statewide Financial System	137	92	2	33
Court of Appeals	62	32	1	20
Department of Public Service	90	60	1	16
Public Employment Relations Board	89	59	1	14
Developmental Disabilities Planning Council	100	70	1	13
Governors Traffic Safety Committee	48	18	1	13
Office of the Inspector General	37	7	1	12
Lawyers Client Protection	93	63	1	11
<b>Total:</b>			<b>12,311</b>	<b>\$1,451,194</b>
Interest Attributed to OSC			1	24
<b>Grand Total:</b>			<b>12,312</b>	<b>\$1,451,218</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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