



State Procurement Manual

Department of Administration, State Bureau of Procurement

Number
PRO-409

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PROMPT PAYMENT POLICY		1 of 3

SCOPE: The purpose of this policy is to establish standards for the prompt payment of invoices, official procedure for disputes, and options to accept early payment discounts.

POLICY: The state will pay its invoices promptly. The state normally will pay properly submitted invoices within 30 days of receipt, provided goods or services have been delivered, installed (if required), and accepted as specified ("standard payment time").

Exceptions to the standard payment time requirement are:

- Any portion of an order or contract under which the payment is made from federal moneys.
- An order or contract that is subject to late payment interest or another late payment charge required by another law or rule specifically authorized by law.
- An order or contract between two or more agencies.
- An order or contract for services which provides for the time of payment and the consequences of non-timely payment.
- An order or contract under which the amount due is subject to a good faith dispute if, before the date payment is not timely, notice of the dispute is sent by first class mail, personally delivered or sent in accordance with the procedure specified in the order or contract.

PROCEDURE: I. Timeliness

A. Payment will be considered timely if the payment is mailed, delivered, or transferred by the later of the following:



Legal Authority

Wis. Stats. 16.528; 16.53(2); 16.53(11); 16.71(1)

Agencies Affected: All, unless otherwise noted

Authorized:

Sara Redford, Director
State Bureau of Procurement



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1. The date specified on a properly completed invoice for the amount specified in the order or contract.
2. Within 30 days after receipt of a properly completed invoice or receipt and acceptance of the property or service under the order or contract or within 30 days after receipt of an improperly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later if the agency does not notify the sender of receipt of an improperly completed invoice within 10 working days after it receives the invoice of the reason it is improperly completed.

B. An agency which does not pay timely the amount due on an order or contract will pay interest on the balance due from the 31st day after receipt of a properly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later.

C. If an agency which does not notify the sender of the invoice within 10 working days of receipt of an improperly completed invoice will pay interest on the balance due from the 31st day after receipt of an improperly completed invoice or receipt and acceptance of the property or service under the order or contract, whichever is later.

II. Disputes

A. Agency staff receiving goods/services will notify their agency purchasing office of good faith disputes or improperly completed invoices.



Legal Authority

Wis. Stats. 16.528; 16.53(2); 16.53(11); 16.71(1)

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- B. A good faith dispute is resolved when both parties have agreed to a remedy. Once the procuring agency has written documentation of the remedy or a corrected invoice is received if required, the agency has 30 days to pay the invoice.
- C. Agencies which notify the sender of an improperly completed invoice within 10 days of receipt, have 30 days to pay the invoice once the deficiency in the invoice has been corrected.
- D. Partial receipt of an order and invoice for that partial shipment does not constitute a proper invoice for purposes of prompt payment unless agreed to by the agency.

III. Discounts for Early Payment

- A. State agencies are encouraged to pay within 10 days if the supplier agrees to offering an additional 2% discount, or another discount term deemed favorable by the agency.



Legal Authority

Wis. Stats. 16.528; 16.53(2); 16.53(11); 16.71(1)

Agencies Affected: All, unless otherwise noted

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