



New York State Comptroller
THOMAS P. DINAPOLI

Prompt Payment Interest Report

State Fiscal Year 2023-24

May 30, 2024

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) 2023-24, agencies paid vendors \$3,960,506 in interest, a decrease of \$126,774 (approximately 3 percent) from SFY 2022-23. 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 \$1,033,143 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 2023-24 Compared to the Prior Fiscal Year

Agency Name	SFY 2023-24	SFY 2022-23	Change
Department of Health	\$1,207,769	\$1,998,566	-39.57%
Department of Transportation	337,603	469,409	-28.08%
Office of Mental Health	249,986	209,150	19.52%
Department of Corrections & Community Supervision	216,849	173,631	24.89%
State University of New York	201,473	247,704	-18.66%
Department of State	181,242	46,240	291.96%
Office of General Services	173,272	128,744	34.59%
Department of Civil Service	159,411	63,182	152.30%
State Education Department	148,000	46,204	220.32%
Office of Addiction Services and Supports	130,887	46,264	182.91%
Subtotal	\$3,006,492	\$3,429,094	-12.32%
All Other State Agencies	954,014	658,186	44.95%
Statewide Total	\$3,960,506	\$4,087,280	-3.10%

Reasons for Interest Payments

April 1, 2023 through March 31, 2024

Reason for Interest	Amount of Interest Paid	Number of Interest Payments
Delay in Encumbrance Processing	\$1,570,059	730
Agency Backlog/Processing Delay	679,147	441
Agency Data Entry Error	33,834	6
System Processing	20,763	17
Agency Did Not Report Interest Reason	2,106	3
Various Reasons - Interest Under \$500*	1,654,597	32,312
	\$3,960,506	33,509

**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, 2023 through March 31, 2024

Agency Name	Total Number of Days to Process All Late Payments ¹	Number of Interest Chargeable Days ²	Number of Interest Payments ³	Amount of Interest Paid ⁴
Department of Health	4,334,737	4,087,822	8,244	\$1,207,769
Department of Transportation	112,403	64,358	1,627	337,603
Office of Mental Health	246,550	149,110	3,259	249,986
Department of Corrections & Community Supervision	260,629	148,444	3,748	216,849
State University of New York	211,855	131,155	2,690	201,473
Department of State	32,207	18,302	464	181,242
Office of General Services	46,701	27,861	645	173,272
Department of Civil Service	449	119	11	159,411
State Education Department	151,070	107,270	1,470	148,000
Office of Addiction Services and Supports	28,601	19,781	294	130,887
Department of Environmental Conservation	40,650	27,450	440	129,544
Department of Environmental Conservation - Oil Spill	58,428	31,278	905	113,436
Department of Agriculture and Markets	19,371	11,526	262	95,582
Office of Temporary & Disability Assistance	1,754,332	1,624,642	4,323	90,704
Office for People with Developmental Disabilities	82,179	48,294	1,153	86,430
Office of Children & Family Services	81,949	61,564	681	74,056
Office of Information Technology Services	15,692	8,702	239	57,705
Department of Labor	37,840	22,420	514	50,241
City University of New York	38,479	22,519	532	45,531
Court Administration and General Support	18,790	10,960	262	23,868
Governor's Traffic Safety Committee	9,102	4,782	144	20,786

Agency Name	Total Number of Days to Process All Late Payments ¹	Number of Interest Chargeable Days ²	Number of Interest Payments ³	Amount of Interest Paid ⁴
Department of Law	18,079	11,494	221	19,831
Gaming Commission	6,317	4,697	54	16,058
Department of Motor Vehicles	5,531	2,681	99	15,005
Office of Parks, Recreation & Historic Preservation	6,463	3,703	92	13,097
Office of the State Comptroller	9,389	5,249	139	12,817
Department of Financial Services	13,262	7,787	183	11,011
Higher Education Services Corporation	3,095	1,355	58	9,481
Division of State Police	3,848	1,838	67	9,109
Office of Victim Services	2,198	458	58	8,580
Courts of Original Jurisdiction	8,804	5,804	100	6,436
Division of Military & Naval Affairs	8,754	6,024	91	6,432
Corcraft	3,341	1,661	56	5,978
Division of Homeland Security	4,008	2,448	52	4,633
Workers' Compensation Board	1,859	899	32	3,374
Office for the Prevention of Domestic Violence	1,378	598	26	2,834
Division of Alcoholic Beverage Control	3,545	2,405	38	2,530
Department of Economic Development	220	130	3	2,307
Board of Elections	1,054	634	14	2,064
Department of Taxation and Finance	1,162	532	21	2,006
Division of Human Rights	2,003	1,283	24	1,933
Division of Housing & Community Renewal	1,100	680	14	1,868
Appellate Divisions	7,857	6,117	58	1,314
Department of Veterans' Services	444	234	7	1,106
Office for the Aging	714	174	20	1,027
Developmental Disability Planning Council	207	87	4	708

Agency Name	Total Number of Days to Process All Late Payments ¹	Number of Interest Chargeable Days ²	Number of Interest Payments ³	Amount of Interest Paid ⁴
Court of Appeals	231	111	4	678
Adirondack Park Agency	240	150	3	604
Office of the Medicaid Inspector General	595	385	7	555
Assembly	499	169	11	534
Lake George Park Commission	677	437	8	491
Division of Criminal Justice Services	282	132	5	419
Executive Chamber	42	12	1	381
Public Employment Relations Board	671	416	9	256
Commission on Ethics and Lobbying in Government	587	437	5	237
State University Construction Fund	113	53	2	100
Commission on Judicial Conduct	497	377	4	77
Justice Center for the Protection of People with Special Needs	62	17	2	45
Commission on National and Community Service	146	86	2	41
Lawyers' Fund for Client Protection	285	195	3	37
Council on the Arts	94	64	1	22
Governor's Office of Employee Relations	38	8	1	22
Senate	93	63	1	11
Total:			33,507	\$3,960,424
Interest Attributed to OSC Processing Time			2	82
Grand Total:			33,509	\$3,960,506

¹ 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.

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

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

⁴ The total amount of interest paid as a result of all late payments.

Contact

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