

PROMPT PAYMENT ACT OF 1990 (W. VA. CODE §5A-3-54)

INSTITUTION'S RESPONSIBILITY: According to the Prompt Payment Act of 1990 (West Virginia Code §5A-3-54), any properly registered and qualified vendor who supplies services or commodities to an institution is entitled to prompt payment upon presentation to the institution of a legitimate uncontested invoice. The institution's accounts payable function shall establish institutional procedures to ensure that vendors are paid promptly.

An institution receiving a legitimate uncontested invoice shall process the invoice within ten working days from its receipt. This means that invoices shall be processed at the institution and forwarded to the State Auditor within ten days of receipt of the vendor's legitimate and uncontested invoice. An invoice shall be deemed to have been received on the date it is marked received by the institution, or three days after the date of the postmark made by the United States Postal Service as evidenced on the envelope in which the invoice was mailed, whichever is earlier. If the invoice is received prior to delivery and acceptance of the goods and services, the invoice shall be deemed to be received on the date the goods are delivered and accepted or the services fully performed and accepted.

VENDOR'S RESPONSIBILITY: In order to receive timely payment, vendors have an obligation and responsibility to present invoices that are timely and accurate. An original of a vendor's invoice is needed for payment. The invoice must also contain identical information as shown on the purchase order or contract, such as:

- a. Vendor's name and address;
- b. Federal Employer's Identification Number (FEIN);
- c. Purchase order number;
- d. Invoice should be mailed to the proper address at the institution;
- e. Item description and number;
- f. Quantity, unit of measure and/or unit price, and extension of each item;
- g. Invoice total;
- h. Dates of order and shipment;
- i. Back orders, if any;
- j. Cancellations, if any;
- k. Credit memo, if the credit is not part of the invoice; and
- l. Invoices for services rendered must include the dates of service and be prepared according to the payment terms in the contract or purchase order.

INTEREST ON LATE PAYMENT: The Prompt Payment Act of 1990 (West Virginia Code §5A-3-54) entitles a vendor to interest on legitimate and uncontested invoices that have not been paid from the 61st day after the invoice was received until the date when the check was mailed to the vendor. The Act considers an invoice uncontested when it accurately covers the goods and services received. If the invoice is received prior to delivery and acceptance of the goods and services, the invoice shall be deemed to be received on the date the goods are delivered and accepted or the services fully performed and accepted. In order to receive payment for interest if entitled, a vendor must make a request in writing to the State Auditor and provide proof that the vendor received a check for payment of the invoice after the 60 day time limit. If the vendor is entitled to interest, the State Auditor's Office will calculate the interest and pay any amounts due.