

TEXAS PROMPT PAY LAW



The state's prompt pay law requires most vendor payments paid with state appropriated funds that exceed \$5,000 to be sent by the 30th calendar day after the latest of the following:

- a. The day the university **received the goods**;
- b. The day the vendor **completed performing** its services; or
- c. The day the university **received a correct invoice** for the goods and services.

If the university does not mail or electronically transmit a payment to a vendor or the vendor's financial institution by the applicable due date, then the university is liable to the vendor for **interest** in compliance.



If a department does not date stamp the invoice as soon as it is received, we must use the *invoice date instead* and thus may incur interest.

PLEASE DATE STAMP INVOICES!!