



STATE OF ILLINOIS
COMPTROLLER
JUDY BAAR TOPINKA

ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Marvin Becker, Director of State Accounting

DATE: May 27, 2011

SUBJECT: Consolidation of Prompt Payment Interest Penalty

NUMBER: 169

The Illinois Office of the Comptroller (IOC) has modified the Statewide Accounting Management System (SAMS) to comply with the requirements of the State Prompt Payment Act (30 ILCS 540/3-2). The changes allow agencies to combine up to 25 interest payments into one consolidated interest voucher.

The State Prompt Payment Act (30 ILCS 540) was amended by changing Section 3-2 (2) as follows:

“Where a State official or agency is late in payment of a vendor's bill or invoice properly approved in accordance with this Act, and different late payment terms are not reduced to writing as a contractual agreement, the State official or agency shall automatically pay interest penalties required by this Section amounting to \$50 or more to the appropriate vendor. Each agency shall be responsible for determining whether an interest penalty is owed and for paying the interest to the vendor. Interest due to a vendor that amounts to less than \$50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds \$50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time. In the event an individual has paid a vendor for services in advance, the provisions of this Section shall apply until payment is made to that individual.”

Guidelines for using consolidated interest vouchers:

- Agencies can combine up to 25 interest payments to a vendor on one consolidated interest voucher.

- During the fiscal year, consolidated interest vouchers must exceed \$50.
- If more than one consolidated interest voucher is needed to exceed the \$50 threshold, then each consolidated interest voucher must be sequentially numbered. Each consolidated interest voucher must include the range of all the consolidated interest vouchers. The beginning and ending consolidated interest voucher numbers must be placed in bytes 556 through 586 of the PRE-AUDIT field. There must be a space between the beginning and ending voucher numbers.
- After June 30th of the current fiscal year, a consolidated interest voucher or multiple consolidated interest vouchers that do not exceed \$50 may be submitted.

The consolidated interest voucher (transaction record) must meet the following requirements:

- The voucher is limited to one appropriation account code.
- The appropriation account code cited on the line cannot be a non-appropriated account.
- The appropriation account code of the consolidated interest voucher must be identical to the original voucher for regular, supplemental or continuing appropriations.
- The detail object code must be 1991.
- The vendor cannot be a governmental entity (legal status 08).
- PRE-AUDIT bytes 527 through 554 must contain the statement “*PROMPT PAY INTEREST PENALTY”. (Must begin with an asterisk)
- Original voucher numbers must be properly formatted and consecutive in bytes 587 through 886 of the PRE-AUDIT field. Original voucher numbers must be nine bytes with numbers or letters only. There should be exactly three spaces between voucher numbers.

The original voucher numbers provided in bytes 587 through 886 will be systematically verified for the prompt pay interest penalty elements required by SAMS Procedure 17.20.45. The file will reject if any part of the data is missing.

Prior to submission of a consolidated interest voucher, a test file must be successfully processed by the IOC. Testing of files can be arranged by contacting Thwyla Drury at 217/782-3686.

Agencies may access this and other Accounting, SAMS and Payroll bulletins on the Comptroller’s website at www.ioc.state.il.us under Resource Library.