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To: Fiscal Officers of All State Agencies  
From: Joe DiRocco, Manager, Contract/Voucher Division  
Date: September 29, 1993

Subject: New Legislation Affecting The State Prompt Payment Act

Public Act 88-494, signed into law September 10, 1993, amended the State Prompt Payment Act by lowering the amount of interest which is payable upon written request by the vendor to \$5.00 and by requiring the Department of Central Management Services (DCMS) and the State Comptroller to jointly promulgate rules establishing the conditions under which interest of less than \$5.00 may be claimed and paid. The amendment is effective retroactive to July 1, 1993.

The rules currently being promulgated through JCAR (17 Ill. Reg. 10686-7/16/93) will be amended to take into consideration the changes made by Public Act 88-494. In the interim, agencies should apply the State Prompt Payment Act and Section 330.90 of the emergency rules as follows:

- Interest amounting to \$50.00 or more need not be requested by the Vendor. The interest penalty is automatic.
- Interest amounting to less than \$50.00, but more than \$5.00, is due the vendor only upon written request.
- Interest less than \$5.00 should not be paid until the State Comptroller and DCMS amend the proposed rules to provide for such requests.

The above conditions supersede those contained in the "CUSAS Reports, May-August, 1993", the CUSAS Manual, and the Emergency Rules covering the State Prompt Payment Act.

If you have any questions concerning the State Prompt Payment Act, please call me at (217) 782-3608.

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