Payment of Interest

Effective: Moved to Policy Library from UPM 10.3(9)
Contact: Director of Purchasing

Introduction

This policy complies with the legal requirements for making timely payments to vendors as stated in Code of Iowa, Chapter 8A.514(3).

Policy Statement

By state law, suppliers to the university are allowed to charge one percent per month interest on invoices for goods and services satisfactorily provided and not paid within 60 days. Interest becomes payable sixty days following the receipt of the claim (invoice), or the satisfactory delivery or furnishing of the services, supplies, or materials, whichever date is later.

Federal funds are not subject to this law. Claims paid with both federal and nonfederal funds will have only that portion charged to nonfederal funds assessed interest charges.

With the potential cost of interest charges, it is important that invoices be promptly processed and any disputes brought to the attention of the appropriate purchasing agent, where they will be resolved in a timely manner.

Resources

Links
- Purchasing Department
- Iowa Code Section 8A.514(3)