

1 **Payment of Interest**

2 Effective: Moved to Policy Library from UPM 10.3(9)

3 Contact: [Director of Purchasing](#)

4 **Introduction**

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

7 **Policy Statement**

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

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

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

17 **Resources**

18 **Links**

- 19 • [Purchasing Department](#)
- 20 • [Iowa Code Section 8A.514\(3\)](#)