Policy Name:
Interest Payments To Vendors

Policy:
In accordance with the Annotated Code of Maryland (Sections 11-107 (a), 11-132, 11-134, and 11-136), vendors are entitled to interest on late invoice payments if:

A. It is due and payable by law and written under the procurement contract, and

B. the invoice remains unpaid more than 45 days after receipt of goods or services, and

C. the vendor submits an invoice for the interest within 30 days after the date of the state’s check.

Interest accrual begins on the 31st day from which payment was due.

Interest payment charges associated with late payments of a proper invoice will be paid by the responsible department not in compliance.

Definitions and Terms:
N/A

Purpose:
To ensure the processing of valid charges of interest from vendors.

Scope:
N/A

Restrictions and Exclusions:
N/A

Responsibilities:
N/A

Related / Impacted Policies:
N/A