Prompt Payment to Vendors

Purpose

This policy affirms that Stephen F. Austin State University (SFA) intends to comply with the prompt payment law of the State of Texas (State) and make prompt payments to vendors using the most efficient means available.

Persons Affected

All SFA employees who are responsible for initiating, approving, authorizing, or making payments to vendors on behalf of SFA.

Definitions

Payment: Money owed to a vendor for goods or services.

State agency: A board, commission, department, office or other agency in the executive branch of State government created by the constitution or a statute of this State, including an institution of higher education as defined by the Texas Education Code Section 61.003.

Vendor: A person or entity who supplies goods or a service to a State agency or another person directed by the agency. The term does not include a State agency, except for the Texas Correctional Industries. The term includes an officer or employee of a State agency when acting in a private capacity to supply goods or a service.

Policy

The SFA Office of Procurement and Business Services is responsible for processing payments in a manner which ensures compliance with the prompt payment law. In certain instances, interest will be paid to a vendor if payment is not made within 30 days of the later of:

- date the university receives the goods under the contract;
- date the vendor completes its services; or
- date the university receives an invoice for the goods or services.

Procedures

As required by the prompt payment law, SFA:

- will schedule its payments to pay vendors as close to the 30-day limit as possible in order to maximize earnings on funds held by the State;
- will compute interest at a rate determined by the Texas Comptroller of Public Accounts if the vendor payment is late; and
• will not pay vendors before the payments are actually due unless the invoice is less than $5,000 or the university has a valid business reason for paying early, or there is a specific exception to this rule.

**Related Statutes or Regulations, Rules, Policies, or Standards**

Tex. Educ. Code § 61.003  
Tex. Gov't Code § 2155.382  
Tex. Gov't Code Ch. 2251

Texas Comptroller of Public Accounts Payment Services and eXpendit State Purchase Policies

**Responsible Executive**

Vice President for Finance and Administration

**Forms**

None

**Revision History**

September 1, 2023 (original)