

TIP OF THE MONTH

Late Fees on Invoices

Late Fees are an **unallowable** expense on a grant account. When reviewing invoices for payment, mark out the late fees from the amount authorized for payment.

The Office of State Finance states:

“If an agency fails to make payment within forty-five days of receipt of the invoice, the vendor shall be entitled to claim interest.”

The interest rate is set by the State Treasurer at the beginning of each fiscal year. Currently the rate is \$0.00031 per \$100 per day or .11% per annum (from DCAR Newsletter).

To assist Accounts Payable in making timely payments, please review and authorize payment on invoices as soon as the invoice is received.

If the invoice is not received in a timely manner, please contact the vendor for an invoice.

With the OK Corral system, receipting purchases in a timely manner is critical to timely processing of payments.

http://airs.okstate.edu/okcorral/guides/Creating_Quantity_Receipts_v.0.pdf
http://airs.okstate.edu/okcorral/guides/Creating_Cost_Receipts_v.1.pdf