PART 4502

PROMPT PAYMENT POLICY

(Statutory authority: Public Authorities Law, § 2880)

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Historical Note

Part (§§4502.1-4502.8) filed May 21, 1990 eff. June 13, 1990.

§ 4502.1 Statement of purpose.

These regulations are adopted, effective January 1, 1988 pursuant to section 2880 of the Public Authorities Law of the State of New York.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.

§ 4502.2 Definition of terms.

As used in these regulations, the following terms shall have the following meanings, unless the context shall indicate otherwise:

(a) *RIOC* means the Roosevelt Island Operating Corporation created by section 3 of chapter 899 of the Laws of 1984.

(b) *Contract* means an enforceable agreement entered into between the Roosevelt Island Operating Corporation and a contractor.

(c) *Contractor* means any person, partnership, private corporation or association who may:

(1) sell materials, equipment or supplies or lease property or equipment to RIOC;

(2) construct, reconstruct, rehabilitate or repair buildings, or other improvements for or on behalf of RIOC; or

(3) render or provide services to RIOC pursuant to a contract.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.

§ 4502.3 Scope/general rule.

These regulations specify the policies and procedures for payment of contracts entered into by the Roosevelt Island Operating Corporation. The regulations require the payment of interest penalties in situations where contract payments do not conform to the specified procedures.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.

§ 4502.4 Invoices.

In order to initiate payment pursuant to a contract, a contractor shall be required to submit a proper invoice to RIOC, except where the contract provides that the contractor will be paid at predetermined intervals without having to submit an invoice for each scheduled payment. A proper invoice shall contain a written request for contract payment and shall set forth the description, price and quantity of goods or services delivered or rendered in such form and

supported by such other substantiating documentation as RIOC may reasonably require. For purposes of these regulations, receipt of an invoice means (a) the date on which a proper invoice is actually received by RIOC, or (b) the date on which RIOC receives the purchased goods, property or services covered by the proper invoice, whichever is later.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.

§ 4502.5 Schedule of payment.

(a) The corporation shall make payment under a contract within 30 calendar days, excluding legal holidays, after receipt of an invoice which has been signed by a department head or contract supervisor and approved for payment. Except when the contract payment is of the type where the facts and conditions are as defined pursuant to subdivision (c) of this section, payments shall be made by the payment due dates specified in accordance with the contract.

(b) RIOC shall have 15 calendar days after receipt of an invoice at the designated payment office to notify the contractor of:

(1) defects in the delivered goods, property or services;

(2) defects in the invoice;

(3) suspected improprieties of any kind.

The existence of a defect or impropriety shall prevent the commencement of the 30-day period specified in subdivision (a) of this section, provided that RIOC notifies the contractor of the defects or improprieties within 15 calendar days of receipt of the invoice. If such notification is not given within 15 days, the number of days allowed for payment once the defect or impropriety is cured will be reduced by the number of days between the 15th day and the day notification was given to the contractor. If RIOC fails to provide reasonable grounds for its contention that a defect or impropriety exists, the date by which contract payment must be made in order for RIOC not to become liable for interest payments shall be calculated from the date of receipt of an invoice.

(c) RIOC may justify extension of the contract payment date in order for RIOC not to become liable for interest payments in accordance with section 4502.6 of this Part. The bases for extension may include, but shall not be limited to, the following when:

(1) in accordance with specific statutory or contractual provisions, payment must be preceded by an inspection period or by an audit to determine the resources applied or used by a contractor in fulfilling the terms of the contract;

(2) the necessary State government appropriation required to authorize payment has yet to be enacted;

(3) a proper invoice must be examined by the Federal government prior to payment; and

(4) such date by which contract payment must be made is modified in accordance with this subdivision.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.

§ 4502.6 Payment of interest.

(a) Except where section 4502.5(c) of this Part justifies extension of the contract payment date, RIOC shall be liable for payment of interest on the contract if payment is made later than the date specified in section 4502.5(a) of this Part, in which case interest shall be calculated from the payment due date specified in section 4502.5(a) until the final payment date.

(b) Interest shall be computed at the rate equal to the rate set by the New York State Tax Commission for corporate taxes pursuant to section 1096(e)(1) of the Tax Law.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.

§ 4502.7 Sources of funds.

RIOC will make any payment of interest required by section 4502.6(a) of this Part with moneys in the Roosevelt Island Operating Corporation's Funds.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.

§ 4502.8 Applicability.

These regulations shall govern all contracts entered into by the Roosevelt Island Operating Corporation on and after April 30, 1988, except where provided to the contrary in subdivision (13) of section 2880 of the Public Authorities Law of the State of New York.

Historical Note

Sec. filed May 21, 1990 eff. June 13, 1990.