

Prompt Payment Compliance

The *Code of Virginia* requires that State agencies and institutions pay for goods and services by the required payment due date. The reporting required by the *Code of Virginia* §2.2-4356 is being met by the information presented here. This section details the number and dollar amounts of late payments by secretarial area, institutions and

agencies, and the total amount of interest paid. Agencies and institutions that process 50 or more vendor payments during a quarter are reported as not meeting Prompt Pay requirements if fewer than 95 percent of their payments are processed by the required due date.

Statewide Prompt Payment Performance Statistics

	Quarter Ended June 30, 2007		Fiscal Year 2007 To-Date		Comparative Quarter Ended June 30, 2006	
	Late	Total	Late	Total	Late	Total
Number of Payments	4,904	643,648	27,902	2,420,585	5,433	605,220
Dollars (in thousands)	\$ 26,459	\$ 1,530,422	\$ 171,989	\$ 5,639,853	\$ 30,853	\$ 1,345,917
Interest Paid on Late Payments				\$ 67,493		
Current Quarter Percentage of Payments in Compliance				99.2%		
Fiscal Year-to-Date Percentage of Payments in Compliance				98.8%		
Comparative Fiscal Year 2006 Percentage of Payments in Compliance						98.9%



Prompt Payment Performance by Secretarial Area

Quarter Ended June 30, 2007

<u>Secretarial Area</u>	<u>Payments in Compliance</u>	<u>Dollars in Compliance</u>
Administration	99.7%	99.9%
Agriculture and Forestry	99.5%	99.6%
Commerce and Trade	98.5%	99.4%
Education*	99.2%	98.8%
Executive Offices	97.6%	97.5%
Finance	100.0%	100.0%
Health and Human Resources	99.2%	97.6%
Independent Agencies	98.7%	99.3%
Judicial	99.8%	99.9%
Legislative	99.5%	99.9%
Natural Resources	99.4%	99.5%
Public Safety	99.3%	97.6%
Technology	98.7%	97.9%
Transportation*	99.4%	96.9%
Statewide	99.2%	98.3%

Prompt Payment Performance by Secretarial Area

Fiscal Year 2007

<u>Secretarial Area</u>	<u>Payments in Compliance</u>	<u>Dollars in Compliance</u>
Administration	99.5%	99.1%
Agriculture and Forestry	99.3%	99.3%
Commerce and Trade	98.7%	99.3%
Education *	98.7%	97.0%
Executive Offices	97.4%	95.7%
Finance	99.9%	100.0%
Health and Human Resources	98.9%	96.3%
Independent Agencies	98.4%	98.9%
Judicial	99.6%	99.4%
Legislative	99.7%	99.6%
Natural Resources	99.2%	98.1%
Public Safety	99.2%	96.7%
Technology	93.2%	97.0%
Transportation*	99.3%	96.0%
Statewide	98.8%	97.0%

* Statistics include those provided independently by Virginia Port Authority, Virginia Polytechnic Institute and State University, University of Virginia, Radford University, James Madison University, Old Dominion University, Virginia Commonwealth University, George Mason University, the College of William and Mary in Virginia, The Virginia Institute of Marine Science, and the University of Mary Washington may include local payments. These agencies and institutions are decentralized for vendor payment processing.

For the quarter ended June 30, 2007, the following agencies and institutions that processed more than 50 vendor payments

during the quarter were below the 95 percent prompt payment performance standard.

Prompt Payment Compliance Rate
Agencies Below 95 Percent
Quarter Ended June 30, 2007

<u>Agency</u>	<u>Late Payments</u>	<u>Total Payments</u>	<u>Payments in Compliance</u>
Education			
Central Virginia Community College	45	828	94.6%
Gunston Hall	41	138	70.3%
New College Institute	54	124	56.5%
Public Safety			
Commonwealth Attorneys Services Council	11	73	84.9%
Green Rock Correctional Center	56	454	87.7%

For FY 2007, the following agencies and institutions that processed more than 200 vendor payments during the year were below

the 95 percent prompt payment performance standard.

Prompt Payment Compliance Rate
Agencies Below 95 Percent
Fiscal Year 2007

<u>Agency</u>	<u>Late Payments</u>	<u>Total Payments</u>	<u>Payments in Compliance</u>
Education			
Eastern Shore Community College	83	1,219	93.2%
Gunston Hall	67	414	83.8%
New College Institute	92	364	74.7%
Public Safety			
Commonwealth Attorneys Services Council	19	239	92.1%
Green Rock Correctional Center	56	546	89.7%
Technology			
Virginia Information Technologies Agency	1,014	14,792	93.1%



Prompt Payment Explanations

Explanations for low prompt payment compliance rates for the fourth quarter of FY 2007 and year-to-date were provided by the following agencies.

The Central Virginia Community College reports that their failure to meet fourth quarter prompt payment standards was the result of a change in key personnel and the implementation of a new accounting system. Each factor taken alone would not have resulted in a failure to meet standards, but in combination did result in a temporary departure from their demand for excellence. Management states it will not happen in the future.

Gunston Hall reports they were not in compliance for the quarter and year to date due to their small staff having multiple duties. They are working toward paying all invoices within the allotted timeframes.

The Commonwealth's Attorneys' Services Council reports that review of their noncompliance indicated 11 payments at the end of June were missed by one day. They have a new employee who is still learning the system and incorrectly keyed due dates for vouchers in order to get them paid out of fiscal year 2007 funds. The issue has been resolved, and they will be in compliance in the future.

The New College Institute reports they are a new agency and as such they have needed time to develop their systems and procedures during their initial year of operations. They have recently hired a full time Fiscal Technician to assist in processing payments, and they are confident that they will soon bring the agency into compliance with prompt payment standards.

The Green Rock Correctional Center reports their Correctional Center is a brand new facility that was recently put into operation. The facility became partially operational in May 2007, and all of the new positions at the facility were not filled until then. All positions and personnel were new and needed training in the business and accounting functions and training on the CARS system. In mid-June 2007, it came to their attention that prompt payment was not in compliance. Management reviewed procedures and determined that the new Accounts Payable Fiscal Technician was consistently miscalculating the due dates. The procedure was corrected and brought to the attention of the Corrections headquarters. Green Rock staff is working diligently to get the prompt payment issue resolved in the future.

