



NEW YORK STATE SENATOR

John A. DeFrancisco

## Senate Passes Legislation Requiring State Agencies to Pay Timely Interest on Money Owed to Not-for-Profits

JOHN A. DEFRANCISCO May 2, 2012

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New York State Senator John A. DeFrancisco announced that the Senate passed his legislation today (S6469), which requires state agencies to pay interest for money owed on state contracts within 30 days.

Current law requires state agencies to furnish interest payments on state contracts that are paid late to not-for-profit organizations, but they do not provide a specific time frame by which such interest payments must be made. This bill would require that interest payments must be paid within 30 days of any payment required by contract, or as soon as monies become available, whichever is earlier.

“There is often a substantial delay between the date that a not-for-profit begins providing service, and the date on which that organization receives payment from the state for providing the service. In some cases, they must take out loans to cover their expenses,” said Senator DeFrancisco.

“This bill would help organizations to manage their cash flow by creating a predictable 30-day turnaround time in which they would either receive payment, or an interest payment,”

concluded Senator DeFrancisco.

The bill has been delivered to the New York State Assembly, where it awaits approval by that body.