



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 72.10, **Invoice Processing and the Prompt Payment Law**

PURPOSE: The purpose of this Texas Tech University Health Sciences El Paso (TTUHSC El Paso) Center Operating Policy and Procedure (HSCEP OP) is to establish procedures for the processing of invoices timely and the payment of interest to vendors as required by the Prompt Payment Law.

REVIEW: This HSCEP OP will be reviewed on January 15 of each odd-numbered year (ONY) by the director of procurement services, with recommendations for revisions submitted to the chief financial officer by February 1.

POLICY/PROCEDURES:

I. Responsibility of Invoice Processing

The payment of invoices is the responsibility of Accounts Payable. Departments are responsible for submitting documents timely so that payments may be made promptly and late interest avoided.

II. Processing Procedures for Payment of Invoices

- A. Departments must enter receiving information in TechBuy within 3 days after the goods are received or services are completed. The receipt date is the actual date of when the goods are received or the services completed. Receiving procedures are discussed in HSCEP OPs 72.09 and 63.05. Accounts Payable will not process invoices submitted for payment until a receipt has been completed in TechBuy.
- B. To comply with the State of Texas Comptroller's rules, invoices received directly from a vendor by a department or Accounts Payable must be date stamped on the day the invoice was received. Applying an incorrect receiving date to avoid late payment penalty is considered falsifying a state record and is expressly prohibited by law.
- C. All invoices emailed to the department or received by mail from vendors that are not "eInvoice vendors" in TechBuy must be submitted to Accounts Payable for payment processing with the correct fiscal year (FY) purchase order number. Invoices received by mail can be sent by email to accountspayableelp@ttuhsc.edu or attached to the TechBuy purchase order as a "Comment" and accountspayableelp@ttuhsc.edu is to be added to the "Comment". When an email with an attached invoice is received directly from the vendor, it must be forwarded to accountspayableelp@ttuhsc.edu.
- D. The official remit address for TTUHSC EP is: TTUHSC EL Paso Accounts Payable, 5001 El Paso Drive, MSC 51009, El Paso, TX 79905 or by email Accountspayableelp@ttuhsc.edu.
- E. Attaching invoices to TechBuy documents will not trigger a payment to be processed. The

Accounts Payable email must be notified directly by the submitter each time an invoice is added by comment in TechBuy.

III. **Prompt Pay Law**

State law requires payments to be scheduled in accordance with Texas Government Code, Chapter 2251, which outlines the procedures for the payment of goods and services and the procedure for calculating and paying interest on late payments. A payment is considered late on the 31st day after the later of (1) the date of the receipt of the goods or the performance of service is complete, or (2) the date of receipt of the invoice.

- A. It is the responsibility of the department to submit invoices to Accounts Payable in a timely manner in order to avoid late interest charges. Departments should forward all invoices to Accounts Payable as soon as possible, but they must be submitted within at least 21 days of receipt of goods and services. All invoices received from departments are processed in the same workflow as invoices that are sent directly to Accounts Payable from the vendor.
- B. Consistent assessment of late interest is an indication a department is not in compliance with this policy. A late interest report is routinely generated and reviewed by upper management. If a department exhibits a history of failing to comply with this policy, Accounts Payable will exercise its authority to contact the vendor(s) and request the change of billing address to Accounts Payable.
- C. The state's interest rate is calculated on an annual basis and can be found on the State's [eXpendit website](#). Interest on late payments is automatically calculated and posted to a local FOP on account 780600. Late interest will not be assessed on payments processed on local funds when the interest is \$5 or less .

If there is a dispute or other extenuating factors that should be considered to avoid interest, [Attachment A](#) should be completed and attached to the invoice when submitting for payment processing.

IV. **Disputed Invoices**

Texas Government Code §2251.042 states that if an invoice is considered to be incorrect, the vendor must be notified within 21 days of the receipt of the invoice. The notification must be documented in TechBuy under the specific purchase order.

Payments will not be made on invoices until the dispute is settled. If the dispute is settled in favor of the vendor, interest will be computed from the original payment due date. If the dispute is settled in favor of TTUHSC El Paso, no interest will be due to the vendor.