

University of Louisiana System

**Title: LATE PAYMENT PENALTY  
CLAUSE FOR UNIVERSITY  
VENDOR CONTRACTS**

**Effective Date: July 1, 2001**

**Cancellation: None**

**Chapter: Finance and Business**

**Policy and Procedures Memorandum**

To the full extent possible, contracts between the System institutions and persons or entities that are required to make payments or reimbursements to the institution, shall contain a late penalty clause.

The clause shall state that if a vendor or contractor fails to make any payment that is due within ninety days of the due date prescribed by the contract, the vendor shall pay, in addition to the payment, interest on the amount due at the rate established pursuant to Civil Code Article 2924(B)(1) per year, from the ninety-first day after the due date prescribed by the contract.

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*Policy Reference:*

Civil Code Article 2924

*Review Process:*

Legal Counsel  
Chief Officers for Business Affairs

*Distribution:*

University Presidents  
Chief Officers for Business Affairs