

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.

Policy Reference:

Civil Code Article 2924

Review Process:

Legal Counsel

Chief Officers for Business Affairs

Distribution:

University Presidents

Chief Officers for Business Affairs

